

that the House do join the Joint Committee of the Houses on the Public Premises (Eviction of Unauthorised Occupants) Bill, 1958, made in the motion adopted by Rajya Sabha at its sitting held on the 12th March, 1958, and communicated to this House on the 14th March, 1958 and resolves that the following members of Lok Sabha be nominated to serve on the said Joint Committee:—

Shri N. B. Maithi, Shrimati Sucheta Kripalani, Shri Naval Prabhakar, Shri T. N. Viswanatha Reddy, Shri Vutukur Ram Reddy, Shrimati Masfida Ahmed, Shri Jhulan Sinha, Shri Bhola Raut, Shri Chhaganlal M. Kocaria Sardar Amar Singh Jaigal, Shri M. Sankarapandian, Shri M. K. Shivanarjappa, Shri Ajit Singh Sarhadi, Shri Shobha Ram, Shri S. Ahmad Mendi, Shri Kanhaiya Lal Balmiki, Shri Sinhasan Singh, Shri Padam Dev, Shri Shivram Rango Rane, Shri Chintamani Panigrahi, Shri P. K. Kodiyan, Shri Mohan Swarup, Shri Braj Raj Singh, Shri Subman Ghose, Shri Jaipal Singh, Shri Surendra Mahanty, Shri Atal Binari Vaspayee, Shri B. N. Datar, Shri Anil K. Chanda and Shri K. C. Reddy."

The motion was adopted.

*DEMANDS FOR GRANTS

Mr. Speaker: The House will now take up discussion on the Demands for Grants Nos. 1, 2, 3, 4, 5 and 106 relating to the Ministry of Commerce and Industry. As the House is aware, 6 hours have been allotted for the Demands of this Ministry.

There are a number of cut motions to these various Demands. Hon. Members may hand over at the Table within 15 minutes the numbers of the selected cut motions which they propose to move. I shall ask the Members to move them if the members in whose names these cut motions stand

are present in the House and the motions are otherwise in order.

The time-limit for speeches will, as usual, be 15 minutes for the members including movers of cut motions, and 20 to 30 minutes if necessary, for Leaders of Groups.

DEMAND NO. 1—MINISTRY OF COMMERCE AND INDUSTRY

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 60,89,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending 31st day of March, 1959, in respect of 'Ministry of Commerce and Industry'".

DEMAND NO. 2—INDUSTRY

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 24,66,74,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending 31st day of March, 1959, in respect of 'Industry'".

DEMAND NO. 3—SALT

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 1,44,87,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending 31st day of March, 1959, in respect of 'Salt'".

DEMAND NO. 4—COMMERCIAL INTELLIGENCE AND STATISTICS

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 73,16,000 be granted to the

*Moved with the recommendation of the President.

[Mr. Speaker]

President to complete the sum necessary to defray the charges which will come in course of payment during the year ending 31st day of March, 1959, in respect of 'Commercial Intelligence and Statistics'".

DEMAND No. 5—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF COMMERCE AND INDUSTRY

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 1,74,75,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending 31st day of March, 1959, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry'".

DEMAND No. 106—CAPITAL OUTLAY OF THE MINISTRY OF COMMERCE AND INDUSTRY

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 11,86,07,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending 31st day of March, 1959, in respect of 'Capital Outlay of the Ministry of Commerce and Industry'".

Shri Prabhat Kar (Hooghly): Mr. Speaker, the Ministry of Commerce and Industry has a pivotal role in our economy. Its importance is heightened in a period of economic planning and it is the Ministry of Finance and the Ministry of Commerce and Industry and it includes co-ordination—which make or mar the success of our Plan. I regret to have to say that the Ministry of Commerce and Industry with the little other wings of the Government, is not alive to its responsibilities and its record of work and programme for the coming year are open to very serious criticism.

We have not yet been given the report of the working of the Ministry of Commerce and Industry, but we have been given a summary.

The Minister of Commerce and Industry (Shri Morarji Desai): Usually this report is always placed before the demands come in for discussion. But this time the demands have been brought earlier than they were to be. It was so timed that it will come before that date. They are under print and so we could not get them. Therefore, this summary has been given.

Shri V. P. Nayar (Quilon): Cyclostyled copies could have been given. It is impossible to discuss some of these things without the report.

Shri Bimal Ghose (Barrackpore): The hon. Minister knew it was coming.

Shri Morarji Desai: I knew three days earlier.

Shri Prabhat Kar: The order could have been changed.

Mr. Speaker: This administrative report relates to the last year, not this year. Therefore, nearly 10 months were there. Hon. Ministers may see that hereafter by the time the general discussion takes place, all the reports are in the hands of hon. Members because the general discussion itself will not be useful unless the various reports are available to hon. Members. All hon. Members may not be interested in every subject, but the general discussion is intended to cover all the subjects. Therefore, I urge upon all hon. Ministers to see that sufficiently well in advance of the general discussion, the reports are placed in the hands of hon. Members.

Shri Morarji Desai: I will see that next year this slip does not take place.

Mr. Speaker: There is no question of slip; the Minister will never do that. But it so happened this year. Year

after year what happens is just at the time before that particular demand is taken up, the report is placed in the hands of the Members. I would like it to be changed. All the reports relating to all the Ministries, whenever their demands may come up for discussion, must be in the hands of Members well in advance of the time that is fixed for the general discussion, so that hon. Members may study and each one may attend to a particular matter. That will be started next year.

Shri Prabhat Kar: You appreciate the difficulties that we are faced with. But in spite of that, as the failings of the Commerce and Industry are numerous, we shall try to place before the House for its consideration exactly how this Ministry has functioned.

Naturally, dealing with the Commerce and Industry Ministry, the first item that comes into our mind is the question of the foreign exchange crisis. Although it may be said that it is a matter for the Ministry of Finance, because of the irresponsible working of the Commerce Ministry, the whole country has been today pressed into such an awkward position of foreign exchange shortage. As a result thereof, the Plan being the life-vein of our country's economy, there is every possible chance of its being torpedoed.

We know that today after the difficult position created by the so-called liberal licensing in the year 1956, a restriction has been imposed. But that again clearly shows that there is no plan behind the working of the Commerce and Industry Ministry. Perhaps from 1939-40, we are having this exchange control. We can leave the period that was under the foreign rule. From 1947 onwards this foreign exchange control was there and we are today in the eighth year of our planned economy. Up till now no machinery has been found. No attempt has been made by the Ministry of Commerce and Industry to know exactly how much licence has been used and how much licence up till now is still remaining un-utilised.

The other day, in reply to a question which was put on the 4th March by my friend, Shri V. P. Nayar, namely, whether the Government were maintaining a company-wise or firm-wise register of Import Licences granted by them, the answer was "No". On the 14th February, in reply to another question whether any estimate has been made as to the total amount of outstanding licences issued for imports during 1956 and 1957, the answer was:

"The information is not readily available; it is being collected and will be laid on the Table of the House."

We are having a planned economy and yet we know nothing. Although we know full well the role of the foreign exchange in the fulfilment of the targets of our Plan, there is no machinery of the Commerce and Industry Ministry and no attempt has been made by the Ministry to know exactly what is the actual position. All the time they are coming before the House and telling before the people that we have been put into a foreign exchange crisis and that when we have got a Plan, this is the automatic result.

Before placing all these things before the country, it is the duty of the Commerce and Industry Ministry to tell the House and the people exactly what is the position today. Only the other day, it was surprising that there was a circular from one importing company that they have just got the German silver-plated ware and rosenthal crockery. These licences must have been given during 1956. We cry for foreign exchange and we grant licences for importing rosenthal crockery and say that this has been done because we need all these things for the fulfilment of the Plan. What is the position today? I would say that there was no plan in granting the licences in the year 1956 and there is no plan today also restricting the licence.

I would give only one particular instance before I further deal with the

[Shri Prabhat Kar]

point of foreign exchange. Take for instance the watch-making industry. No effort has been made by the Commerce and Industry Ministry to encourage watch making. There is absolutely no watch manufacturer in this country, nor has any attempt been made in this direction. Restrictions have been imposed on the import of watches, as a result of which there is smuggling of watches. What is the result? Government lose revenue, but foreign exchange is lost through smuggling. This clearly shows that there is no planning while imposing restrictions.

13 hrs.

The value of imports during the Five Year Plan period was as follows:

1951-52	..	Rs. 890.39	crores
1952-53	..	642.49	"
1953-54	..	314.70	"
1954-55	..	633.40	"
1955-56	..	675.64	"

During the Plan period liquors, pearls and toilet requisites have been allowed to be imported. The amount may be from Rs. 2 crores to Rs. 3 crores. But the value is immaterial.

It is interesting because the value has not been falling proportionately. The figures during four years of the Plan period was: Rs. 2.44 crores, Rs. 1.33 crores, Rs. 1.72 crores and Rs. 2.21 crores. So, there has been no fall. These items have been allowed to be imported when we were facing a foreign exchange crisis. Again from replies to questions we find that fire works, liquors and other luxury items were allowed to be imported during 1955-57 as well as 1956-57. Silk piecegoods, cigars and cigarettes have been allowed to be imported to the tune of Rs. 30 crores.

Now we want the country and the people to tighten their belt. We say that the people should be prepared to suffer and sacrifice. We import luxury items to the tune of Rs. 30 crores and tell the people that it is necessary for

the Plan. This could have been avoided if only there had been a proper objective and scientific analysis of the whole matter.

I may in this connection refer to the position in China. The Indian Industrial Delegation which visited the United States of America, Canada and other countries, recently (between September to November 1957) said:

"Eight hundred dollars per capita foreign investment means nearly Rs. 4,000 in Indian currency and at that rate and for such high development India should require Rs. 1,60,000 crores of investment in India of which at least one-third, viz., nearly Rs. 50,000 crores would have to be in foreign currency. The conclusion to draw is that India cannot be developed without foreign capital which we shall continue to need for at least the next 25 years and in substantially large amounts."

I would only say that China with 50 per cent. bigger population than India, succeeded in getting a head start, with the help of foreign loans of only Rs. 1,059 crores spread over seven or eight years. It was said by the Prime Minister the other day that China was facing foreign exchange difficulties. Here is a publication by Shri P. C. Mahalanobis which gives the correct position. What was the foreign exchange that was needed for the development of China and what is the position today? He says:

"The Chinese example merely corroborates what an objective scientific analysis had brought out, namely, that India could have built up, and can build up, with the help of only a few hundred crores of foreign exchange those basic industries which would give her economic independence."

We are talking of the Plan; we are speaking in a manner that there is no possibility of the fulfilment of the

Plan targets. It is said that the Communist Party are sabotaging the Plan. But it has been conceded by no less a witness, I would say a witness of unimpeachable integrity, than Shri Chinta Man Deshmukh, when he said that he had no knowledge of the licences being granted and it was being done by two or three persons. It is in that context that we have to look into the whole thing and see as to who is responsible for creating this foreign exchange crisis. May I say that it is only necessary to look into the working of the T. T. K. and Sons what was the position of the T. T. K. and Sons six or seven years back and what is their financial position today. You go on carrying on this sort of activity and you change the Communist Party of not helping in the fulfilment of the target, or of sabotaging the Plan.

The next point I want to deal with relates to State trading. I should say that from our side we have been insisting for so many years on the necessity of State trading. As usual, it was refused earlier. Subsequently the proposal has somehow found favour with the ruling party. Now what is the position of State trading?

The other day, in reply to a question again by Shri V. P. Nayar, it was said that the outturn of the Birla group of business was Rs. 80 crores a year, while the outturn of the State Trading Corporation was only Rs. 10 crores. In a country like India if the outturn of State trading is only to the tune of Rs. 10 crores—excluding cement of course—what real purpose does it serve.

Take for instance tea. Tea is the most important export that we are making. What is the position of the tea industry? In whose hands is the tea industry? In a memorandum submitted by the I. N. T. U. C. it is said that "with the United Kingdom alone absorbing half the world tea exports and reexporting more than most countries import, it is natural for the 'world price' of tea to be 'made' in

London. It has been estimated, however, that 70 per cent of the domestic distributing trade is in the hands of only four combinations."

The monopoly grip of the auctions has to be broken if we really want to proceed with our Plan. You may not today nationalise the tea industry, but so far as the export of it is concerned it must be controlled by the State Trading Corporation. In the Calcutta Tea Auctions of 1956-57 of the Rs. 32 crores, 39 lakhs pounds of tea sold 95.85 per cent belonged to four British companies and three Indian companies had only 4.15 per cent. The four British companies made a total profit of Rs. 1 crore 25 lakhs in tea brokerage alone. Brokerage alone come to Rs. 1 crore 25 lakhs.

The question is one of selling tea to the foreign market and controlling the export effectively so that we can earn foreign exchange. But the State Trading Corporation has not at all cared to look into this matter, with the result that we are losing the market for tea. I would only quote the following to support this statement:

"Asked by a member of the Tea Board as to what was the difference between Ceylon tea and Indian tea, Mr. Alireza promptly replied: 'You better collect samples of Ceylon tea in the market and feel the difference by experts.'"

We are not exporting first-class tea. So, we are losing the market and we are losing also foreign exchange. Now if this were in the hands of the State Trading Corporation, it would have taken proper care to look not only into the question of blending, but also into the question of finding out market not merely the traditional market but also other new markets, and thereby we would have been in a position to ease the foreign exchange position to a great extent and also control tea which is one of the most important items in our commerce. But the State Trading Corporation has not cared to

[Shri Prabhat Kar]

do this. I would urge that it should take up this particular business which is very vital for our national economy.

I now come to the National Small Industries Corporation and what help has been given to it by the Commerce and Industry Ministry. At present, we are importing capital goods, but I do not know whether proper care has been taken to see whether the parts of the machinery can be manufactured here in India. During the war period from 1939 to 1946, many parts of many items of machinery were manufactured here in India, and it was found at that time that the articles manufactured in India were on a par with those manufactured in other parts of the world. No attempt has been made to give encouragement to the large number of small manufacturers in Howrah, in Wellesley Road and other places, who could really manufacture good spare parts for machinery, if only proper help were given to them. But, up till now, in spite of representations, nothing has been done and we have to pay for the imported machinery; and because of delay in getting spare parts in time our projects suffer. And no proper help has been given to these small manufacturers. This is one of the most important things which the Ministry must look into.

Previously, our country used to export finished clothings. But slowly this has stopped, and as a result of it, quite a few thousands of tailors are suffering. If it were possible to export those things earlier, I would like to know why it has not been possible to find a market for them even now. No steps have been taken by the Commerce and Industry Ministry in this particular matter. If it were possible to find an export market for all these articles earlier, I think it is easier to find a market now when we have an independent India. I would request the Ministry to do something in regard to this matter.

Lastly, I come to the question of company law administration. I would

say that in spite of the amendment of the company law, the situation remains the same. I do not know why the Department of Company Law Administration has been brought under the Commerce and Industry Ministry. I would rather have liked that a special Ministry should have been there or that a special wing should have been there for this under the Finance Ministry. So, I feel that there was no necessity to have brought it under the Commerce and Industry Ministry.

However, it is under the Commerce and Industry Ministry today. And how is it working? If only we look at the Mundhra affairs, we know how exactly the public and private companies have been functioning. After the Mundhra deal was exposed in Parliament, we find Government taking steps for the various failures under the company law. But these were brought to the notice of the Ministry as long ago as 1955, and yet no steps were taken by the Ministry to ensure the proper functioning of this particular group of companies. This only reveals how serious the Ministry is in looking into the functioning of companies, either private or public. I would urge that if really the Ministry is serious that proper steps should be taken for the fulfilment of the Plan, then the role that the Ministry will have to play is not one of simply sitting over certain representations and files and carrying out a policy which is not linked up with the total policy of Government; if the Ministry does that, then it will be held responsible for having sabotaged the Plan which all the people today want to be fulfilled.

Today, we find the representatives of the Forum of Free Enterprise saying 'Did we not tell you before that this was an ambitious Plan? Did we not tell you before that we shall have to face a foreign exchange crisis?' I would say that it is possible for them to say so, because perhaps they knew that so far as the implementation by Government is concerned, every

time they would be committing mistakes and blunders; and therefore, they may be in a position to point out to the country. 'We told you earlier that this Plan being ambitious, it would not be possible for you to fulfil this Plan.' By giving room for them to say like this, Government are only playing into the hands of those big capitalists and the representatives of the Forum of Free Enterprise, whose only aim is to see that the Plan does not succeed, and the Commerce and Industry Ministry will then be charged with having abetted them in their attempt to torpedo the Second Five Year Plan.

Shri Bimal Ghose: About this time last year we were faced with a serious foreign exchange crisis. I am not going to recapitulate last year's story. This year, the Finance Minister has stated that there has been a considerable easing of the foreign exchange position. If one examines how this easing has come about, one finds that the position really is not satisfactory. The factors which have been mainly responsible for the easing of the present foreign exchange situation are: (i) foreign assistance, (ii) deferred-payment-based imports, and (iii) serious import restrictions.

Now, we have to realise that these are all expedients only, and we must strive for a position where balance of payments must really balance, taking, of course, into consideration normal capital transfers. The foreign assistance that we have been receiving is quite good, and it may also be true that we may be needing foreign assistance for a number of years. But we have to realise that foreign assistance can serve only as a catalytic agent. We must not depend on foreign assistance as such for our development. In every major case of development, it has been seen that the bulk of the capital needed has been supplied by the domestic process of capital formation, and I am sure the Minister will also agree to that. He would probably say that we should also utilise these funds for productive investment so

that these loans may be serviced. As a matter of fact, the Finance Minister yesterday while replying to the debate suggested in answer to the criticism made by my leader that those funds are being used productively. But we must realise the difference between productive use only and productive use which will give us a surplus of production over consumption. At the same time, we have also to see that that surplus, to a certain extent, is being channelled into export trade.

12-20 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Now, we are incurring loans, let us say, for development of railways. That will not itself give us the foreign exchange necessary to repay the loans. We must develop exports of other things which will enable us to service these loans. Although foreign exchange may be necessary, we should be careful to see that developments are taking place along the right lines and we are able to develop an export surplus.

Then, take for instance, the question of deferred payment based imports. I do not think that that is a very healthy process. Unless we can expect that in the course of the next three or four years our balance of payments will materially improve, there is no ground for allowing these imports on deferred term basis. What we are doing is that instead of having to pay something less in the immediate future, we are incurring liabilities of a larger amount for a little distant future. But are we sure that in the course of three or four years we will have sufficient export surplus?

Let us examine the position of our balance of payments. Take first the position of our balance of trade which constitutes the core of the balance of payments. Recently, our exports have suffered very badly, in spite of the fact that all the time, for the last two or three years, we have been resorting to measures for promoting exports. There have been export

[Shri Bimal Ghose]

promotion councils, foreign trade board; there have been drawbacks of duties and excises given. Even so, in actual practice, we find that exports have gone down. Exports have gone down during April-September 1957 by about Rs. 21 crores compared to April-September 1956, and by about Rs. 82 crores compared to the period October 1956-March 1957.

Why is it that our exports have gone down, in spite of the fact that we have taken all measures to promote exports? An explanation is necessary. It may be stated that the terms of trade have gone against us. They will have gone against us to a certain extent because of the recent recession in trade. But we have to take that factor into account as the terms of trade will go against us sometime or other. They were in our favour after the Korean war, and although in certain phases our volume had suffered, yet we were able to maintain a sufficient surplus in terms of value.

It may be said again that we have to import for our development. That is quite true. But we must be able to face up to that situation. The main reason has been this fact, that we have not been able to develop an export surplus because the domestic consumption has been increasing under inflationary pressure. What is needed to be done today is that we must try to develop a surplus of production over consumption and direct a certain portion of that surplus into the export channel. The fact that we have failed to do so is reflected internally in the emergence of inflationary pressures, and externally in our balance of payments difficulties. What is being done to rectify that position?

One remedy which Government have adopted is to cut down imports very severely. But that is not a very useful process of increasing our exports. The idea is to increase our export surplus not by increasing exports but by cutting down our imports. That is what is actually being done. When

we analyse our exports and group them under four categories, as ECAFE has done, namely, consumption goods, materials chiefly for consumption goods, materials chiefly for capital goods, and capital goods, we find that during the last year or so—stretched over some more time—our imports of goods, materials chiefly for capital goods and capital goods, have been very much in excess of consumption goods, which should be so because we are in the process of developing our economy. It also means that at the same time we should have been trying to increase our export of other goods.

We have also to realise this fact that although attempts may have been made during the last two or three or four years, the pattern of our trade has not changed. Even today, tea, jute and cotton textiles constitute our main exports—over 50 per cent. of our total exports. Tea exports have gone down during the last year and a half. Jute has gone down. Textile export has not probably gone down, but has not been able to increase. We have to realise that these exports will probably go down, however much we may try that they should increase, because there are other factors. There is competition from other countries. Take, for instance, textiles. Last year and even this year, a considerable portion of our exports was to the Sudan. Sudan is developing her own industries, and then Sudan will not require our textiles. Similarly, in the case of tea, the Indonesia and Ceylon are competing with us. Jute is also suffering because substitutes are coming and Pakistan is going ahead.

We have to take these factors into account. If we say that we must maintain our exports as they are today—not only that, we must increase it—we are really striving for something which we cannot achieve. There comes about situations in international trade where conditions have changed and we must try to adapt ourselves to the changed conditions. What has been done in that regard? The severe restriction of imports has not always

had a very good effect because it has led to an increase in the domestic consumption of substitutes. Industries have been established to produce substitutes for commodities which were being imported. The result is that instead of developing an export surplus of consumption goods, we are having those articles produced internally to satisfy internal consumption. Therefore, we are not being able to develop an export surplus.

Another effect—which is a bad effect—of the severe restriction of imports, which has also been due to our unplanned efforts in the past, is that as soon as we restrict the import of materials specially for consumption goods, we find that industries in the country suffer. While we restrict import of consumption goods, we have allowed certain industries to flourish in this country which were using imported raw materials. As we cut down imports, these industries suffer. Therefore, there is a decline in production and also, unemployment.

There was some defect in the planning of our industrial development, as to what particular industries should have been allowed to be established. If we were trying to cut down imports, it did not necessarily mean that we must allow substitute industries to be developed in this country, but that should have been channelised so as to help our exports.

If this is the situation, what are we going to do about it? The main problem really is that we must strive to have a balance of payments which will normally balance itself. That is an economic law, which in spite of what my hon. friend, Shri Asoka Mehta, has said about the laws of economic growth, cannot be ignored. There are certain economic laws which will have to be taken into account. That applies to balance of payments. I think Shri Asoka Mehta will agree with that. Deficit financing under certain conditions may be utilised for assisting the process of development. That is quite true. But we have to

see that the balance of payments must balance, because that is an economic law which no laws of growth can ignore.

In order to do that, we have to set about and see what we can do. Can we develop our traditional exports like jute, tea and cotton textiles? Take the new engineering industry. We are talking about that. What can we do there? Probably from Rs. 2 to 3 crores can take them up to Rs. 10 or 12 crores. But, that does not meet our problems. What is the dimension of our problem? I may put it in this fashion. Let us say, our export earnings are about Rs. 600 crores a year and we can get, probably, foreign assistance and other things about Rs. 100 crores. So, that sets the limit, unless we get foreign assistance all the time for our imports.

But, if you take our imports, you will find that even without capital goods, our imports are of the order of Rs. 550 to Rs. 600 crores and we shall be requiring about Rs. 100 to Rs. 150 crores to service our loans. Then, where is the margin for the importation of capital goods? Is it the Government's intention that we should all the time be dependent on foreign assistance? If we cannot productively utilise the development of production over consumption and channel it towards export, then, it will be like what my leader said about Mundhra deals, contracting fresh loans to pay off old loans. But, we must try to do what my deputy leader said; we must try to develop a surplus and channel it into export.

We must go back to our original exports because our country is only a semi-industrialised country. We have not yet become an industrialised country that we can compete with industrialised countries like Japan, America and Great Britain. We have left the stage of a non-industrial country and become a semi-industrialised country. The result of that has been this. As a non-industrialised country we used to export a lot of consumption goods

[Shri Bimal Ghose]

and articles chiefly for consumption goods. But, as we have not as yet developed into a really high-class manufacturing country, it is still necessary for us to develop the export of consumption goods, and particularly of primary products.

Here, the two desiderata seem to be, firstly that we must be self-sufficient in foodcrops and there is no prospect of our exporting any foodcrops or any cereals. But, there must be some prospect of developing an export trade in ores and minerals and, I think, the best machinery for that would be the State Trading Corporation.

I have come to the end of my story. What I wanted to say was this. If we proceed along the lines we have been proceeding, a serious crisis will face us. Foreign loans alone will not help us. We must try to see what the problem is an attempt to solve it on a permanent basis. That means increasing our export surplus. And for that we have to give our first attention to primary products. We talk about rephasing of the Plan; but, I think and believe that a rephasing of the Plan from the export angle has become imperative.

Shri Heda (Nizamabad): Mr. Deputy-Speaker, Sir, first I would like to express the gratitude of the whole country for yesterday's announcement about reduction of excise duty so far as the textile industry is concerned.

Shri T. B. Vittal Rao (Khammam): And especially of the millowner!

Shri Heda: There was a crisis brewing in the textile industry. It was so even from the angle of my hon. friend Shri Vittal Rao because labour was feeling anxious over it. Now, the prices would come down and therefore there would be greater consumption of cloth. I hope the mills that had been closed and even other mills that were on the verge of closure or had served notices of closure

would open and the employment sector would be adequately served.

In this connection I would like to say that the crisis that we had seen in the textile industry is a good indicator to show to the Government which of the textile units are working efficiently and which others are not working so efficiently. After all, this Government has got a responsibility to see that the private sector also works very efficiently. We can find out which of those units, for various reasons, could not work well, as well as was expected of them. If suitable remedial measures could be taken, I am sure proper economic units will come into the field.

Then, I would like to refer to another point, a development which particularly attracted me this year. The Federation of Indian Chambers of Commerce and Industry have been holding their annual meetings year after year in the capital, particularly, soon after the Budget. We have been receiving invitations and some of us had been attending them. In the economy of our country, this Federation represents a particular element which we may term as the element of big business. Democracy, in a sense, is a forum for discussion and debate. We have to thrash out every matter from different angles and, after taking into consideration, all the facts that matter, come to right conclusions and mould them into suitable policies so that the country, as a whole, progresses.

There was a feeling that big business was not represented in the Lok Sabha; and if somebody or other, particularly on the side to which I belong, happened to be a representative of big business, then my friends, I again take the name of Shri Vittal Rao, had the grouse that the Congress had given a ticket to such and such a millionaire. I think it is not bad because even in this House they should be given an opportunity to voice their feelings and views. (*Interruption*). After all,

we are not going to be dictated to by their representatives or their views. There is nothing wrong if somebody put that point of view here also. But that was not possible; neither was it desirable.

Therefore, the coming in of this Federation into the area and getting that particular prominence which it got this year is a good development in the democracy of our country. I think big business have now evolved a forum where they can....

Shri V. P. Nayar:of Free Enterprise. (*Interruptions*)

Shri Heda: I am not talking of the Forum of Free Enterprise.

Mr. Deputy-Speaker: Order, order.

Shri Heda: So, I think, they have evolved a good forum where they can express their views. Thereby Government can find out the reactions of big business, mainly in commerce and industry, so far as the fiscal and other policies are concerned, and then make suitable adjustments so that all-round improvement takes place in the country.

I feel so particularly this year because, I find two or three significant changes. Firstly, the annual meeting of the Federation of Indian Chambers of Commerce and Industry was used for a sort of debate and they have put out very vigorously their views—and most of us differ from them, and I am one of them—they have vigorously defended their views against the philosophy of the public sector. (*Interruptions*)

Sir, the second thing that I find is that this year they had arranged what they call the 'luncheon meetings'. These meetings are quite popular in America. They have adopted it and I think it is a good augury. The speeches which were recorded on three different occasions there were of a high order. Of course, so far as I am concerned, I have no opinion to express. I may say this in passing.

They invite the Finance Minister and also request the Prime Minister to inaugurate the session every year. When they are there, they do not represent only the public sector; they represent both the public and private sectors. I would very much wish that they use this luncheon meeting to invite some of the first rate leaders in the Opposition or second rate leaders of the Party in power so that they may have a good opportunity.

Shri T. B. Vittal Rao: Am I to understand that first-rate Opposition leaders are equal to second rank in the ruling party?

Shri Heda: I do not dispute the intelligence of my friend. If he comes to that conclusion, I do not want to help him.... (*Interruptions*). If he wants to come to that conclusion, I cannot help it because he has his own freedom and he can cull out any conclusion from any given statement.

What I wanted to say was this. They should have a long range view in their minds and the good defence given to the public sector should also be heard by them and that should also be represented in their annual gatherings. That was the short point that I wanted to make.

Now, I will take imports. I am very happy to note that the changes made in the export-import policy have produced very good results. We have not got adequate statistics. We have been getting a sort of a report from the Commerce and Industry Ministry before the demands were coming up for discussion. This year, somehow or the other, we have got only a summary. The full report has not yet come and I am told that it is under print and that it may take a week or so.

Though sufficient data is not before us, the results that can be deducted from the various data and statistics of export and import and the balance of payments position from week to week and month to month would show that there was recently some

[Shri Heda]

improvement and a very radical change. So far as the import is concerned, I feel that the restriction that had been put had been very desirable and good. However, the import of such materials which form the basis or raw material to run the industries in our country should not be restricted. In this regard, probably the full consequences of those policies could not be apprehended beforehand when they were formed. The result had been that certain industries felt the pinch and they felt that production would go down. Production is the key-note of our Second Plan. I have had occasions to represent to the Commerce and Industry Minister on certain matters and I am very happy to say that in every case he promised to look into the matter. He has promised that if the import of raw material is essential for the production of any particular industry, he will surely allow that import.

I may mention one or two industries, as he is here, where production is adversely affected. A few Members of Parliament from Andhra Pradesh had been visiting various industries in our State. We came across a few metal industries. We found that they had a particular problem. Formerly certain raw materials which were imported were stopped. As a result their production was not only going down but they had also another difficulty to face. Since the import was restricted the established importers found a good opportunity to make huge profits. Only established importers were given licences and that was quite natural. But they took advantage of the situation created and increased the price to such an extent that the prices became rather prohibitive.

Take the case of copper ingots. I may give here a few figures to elaborate my point. The cost of imported copper ingots is estimated to work out to about Rs. 128, including the profit which was allowed to them formerly,

when the import was free. The price is now Rs. 171. It is a very big margin. Therefore, whenever imports are to be restricted—certainly we have to restrict them when we find that the imports are useless or that they are exploiting the situation, the right course to adopt is either to form a private corporation of all these metal industries and allow the imports through them and distribute the raw material to the various industries according to their capacity and work in the last two or three years. Or, alternatively, they can entrust this task of importing this raw material to the State Trading Corporation and see that equitable distribution arrangements are made.

The same is the case so far as the automobile industry is concerned. There too, certain imports are not allowed and the result is that the production is not taking place to the extent that it should have. Even if a small thing which is essential for the production of one whole unit does not come, then the total production stops. It is not that if one lakh rupees worth of raw materials are not allowed to be imported, the total production will go down by one lakh of rupees. It is not so. It will rather affect the whole production. Therefore, the Government has to go into these details and take a realistic and sympathetic view and allow such imports as and when the need arises.

So far as exports are concerned, I think the various export promotion councils are doing very good work. In this connection, I have to submit a point which has a direct bearing on the State I come from. During the visits I just referred to, we had been to certain places wherefrom iron ore, manganese ore and mica are exported. We found that there were certain difficulties for these people.

Take the case of the manganese ore. The Vizag district, the Srikakulam district, and the Koraput district—

border district between Andhra and Orissa—are full of manganese ores. But they are of a low grade. The result is that these ores are not allowed to be exported. Therefore, beneficiary plants have become necessary. One such plant has come up. When we visited those places in January we were told that they would produce by March. So, one such plant might have come up now. We have to encourage these beneficiary plants so that the contents of the manganese ore would increase. With the beneficiary plants, the manganese ores which have less than 25 per cent content can be made to increase their content even to the extent of 85 per cent. Thus, we will not only get better prices for the raw materials that we are exporting but we will be able to provide more employment opportunities, and all that ore which remain useless, which cannot be utilised in any other way, will also be exported.

The same is the case, I think, more or less, so far as iron ore is concerned. The complaint that I found near about the area, say, between Kakinada and Masulipatnam was that the programme of export, for some reason or other, was not made adequately, and the capacity of the ports was not used fully. The perfect co-ordination that was necessary between the railways, the ports and the State Trading Corporation was not there. The situation is every day improving, and I only hope that very soon the situation will improve in such a way that we will be able to take up the maximum export that is possible. Even in this case, if we can improve the raw material and thereby increase our exports and earn more foreign exchange it will be a very good augury for the Government, for the country, and the shortage of foreign exchange that we are finding will not be there.

One word about the training of personnel. So far as the training of personnel is concerned Government allows a little foreign exchange for those personnel who go and get higher specialised training in certain parti-

cular matters, but Government do not allow students to specialise in particular subjects. A young man after passing B.E. may desire to specialise in a particular industry or a particular line thinking that that line will have very good prospects in the course of the next few years. Instead of going to some industry, taking up an employment there and then trying to go abroad for specialising in a particular line, he may like to stand on his own legs and then go and take such training. I think these particular types of training should be encouraged and the shortage of foreign exchange should not come in their way.

Shri A. C. Guha (Barasat): Mr. Deputy-Speaker, Sir, my friend Shri Heda has already conveyed a sort of congratulation to the Government for reducing the textile duty. I think it was not done in the interest of the millowners as was suggested from the other side, but it was also in the interest of the consumers and, particularly, the workers a large number of whom were likely to be out of employment if these mills were allowed to close down due to reduction in consumption. So, I think it was a step in the right direction, and we should feel satisfied that the Government has taken up the matter seriously as there had been several suggestions from the House in the matter.

In this connection, I would also like to draw the attention of the hon. Minister to the export duty on tea. I would not plead for all teas because quality teas are having a good market, but it is for the common tea that I am pleading. I think only yesterday it was disclosed in the House that five or six gardens have closed down and others have also threatened to close down. Here also is a case on which some immediate action would be necessary. I expect the hon. Minister would take some prompt action. I hope before he leaves the charge to his successor it may be possible for him to decide the

[Shri A. C. Guha]

policy regarding the export duty on common tea.

I would now like to draw his attention to the powerlooms. Yesterday, in connection with the reduction of excise duty on textiles it was stated that the compounded excise duty on powerlooms has also been simultaneously reconciled with the excise duty on textiles, but some extra duty has been imposed on units having more than 100 powerlooms. I think there is a case for the reduction of duty on such units having more than 100 powerlooms. One thing should, I think, appeal to the hon. Minister. These units have to purchase yarn from the composite mills. Therefore, the composite mills have an initial advantage over the powerloom weaving section. At least from that point of view they should get some concession. I would not press that the entire duty that has been put now should be abolished wholesale, but there should be some readjustment particularly in view of the higher prices they have to pay for the yarn. I hope the hon. Minister will consider this aspect also.

I would like to refer to another matter in connection with tea. Last year I think there was an extra production of 20 million pounds of tea throughout the world. There is no international agreement for the control of production of tea now. So new countries are coming up. Indonesia and Ceylon are our old competitors, but now there are many East African countries which have entered the market and they have been competing with us. Therefore, to retain our export market for tea we should have an efficient propaganda machinery in foreign countries. I think the Tea Board collects annually about a crore of rupees by way of cess on tea, but I have heard even from members of the Central Tea Board that much is not done with regard to foreign publicity for popularising tea in foreign countries. I wish that somebody may look into this matter and

see that the sum that is collected from the consumers is properly utilised for publicity and propaganda in foreign countries. A special wing may be set up to see that publicity work in other countries is done properly so that our tea may have a fresh market in foreign countries.

There is another matter to which I would like to draw the attention of the hon. Minister for Commerce and Industry, particularly in view of the fact that the Company Law is now under his charge. Sir, the Mundhra affair has now become something notorious in the whole country. But there are smaller 'Mundhra affairs' particularly in our city, Calcutta. Some speculators have been trying to get hold of some industrial concerns by cornering the shares. In respect of one particular industry—it is a very big industry, and a very essential industry whose products are now in short supply—the prices were inflated because of this cornering campaign. Even though the price was Rs. 135 per share the speculators purchased the shares at Rs. 175 per share. I hope the hon. Minister knows to which company I am referring.

Shri Tyagi (Dehra Dun): Which is that industry?

Shri A. C. Guha: The paper industry. That company is now running without any managing agency and something like an interim arrangement is going on. The Government should decide whether the speculators will have control over that company or not. If the control of the company goes to the hands of the speculators, it may mean disastrous for the concern. I would not have raised any objection if they were real industrialists.

14 hrs.

But they are not industrialists. They are speculators. If they can get hold of the company, the company will go to ruin and they will simply start another Mundhra

affair; just as Mundhra has done with regard to Jessops and some other well-established firms, they are also likely to do the same with this firm.

Under section 409 of the Companies Act, the Government can stop the change of management; under section 247, the Government can have some investigation, and under section 250 the Government can do something else. The Committee that was set up to look into the company law have referred to all these things and they have suggested some amendments to section 250.

"It might be amended so as to confer power on the Central Government in a case where, owing to a change in the ownership of shares, a change in the managing agency or directorate of a company is likely to take place, which, if permitted, would, in its opinion, be prejudicial to the public interest, to direct by an order that for a specified period, say three years, voting rights shall not be exercised by the transferees of those shares."

This is the recommendation of that Committee. I hope Government will take early decision on this matter and stop such speculative ventures in well-established companies.

In this connection, I would also like to suggest one thing. When the company law was enacted and the Company Law Department was set up, the stock exchanges and the Capital Issue Department formed part of that department. But, somehow or other, these two have been separated. I think the Company Law Department should also have the stock exchanges and the Capital Issue Department with it. Otherwise, there cannot be effective functioning of the Company Law Department. The hon. Minister who is now in charge of this subject will, in a few

days, go over to the Finance Ministry. I hope he will have a dispassionate view of this matter and will not take side with this Ministry or that Ministry.

Then, I should like to say something about the foreign exchange position. Though foreign exchange is primarily the concern of the Ministry of Finance, the spending of foreign exchange is mainly in charge of the Commerce Ministry. Yesterday, the Prime Minister stated that there were some lapses. He said that "there was lack of co-ordination in this matter and we are not fully seized of what was happening. Nobody knew the entire picture for sometime, neither the Planning Commission nor the Finance Ministry". I do not like to quote the figures of imports which, some days before, my friend Shri Tyagi quoted; and today also my friend Shri Prabhat Kar quoted some figures. It was not quite correct to say that the entire issue of the import licences was for the Plan. The Prime Minister, I think, has said that the main conclusion, as it emerged, was that it was an attempt to carry out the Plan that caused this adverse turn. Nobody would grudge any import licences being issued for the implementation of the Plan. But the items quoted both by Shri Tyagi and Shri Prabhat Kar would show that there was a considerable amount which was squandered away on non-essential items and consumer goods and luxury goods.

I have referred to the cornering of shares. I think that also has led to squandering of some of our foreign exchange. Some plantation firm shares were purchased by some speculators here or some persons here and most of them were sterling companies. So, they have had to be paid in our foreign exchange. That also, I think, should not have been done. Anyhow, I think even previously there was an examination in the Planning Commission and some statement was made before this House

[Shri A. C. Guha]

showing how the foreign exchange position has come to this plight.

Now, again, the Prime Minister has told us that the Planning Commission is examining this matter and within three or four days time we shall know the position. Still, I feel that there is a fit case for a proper enquiry, not only an examination by the Planning Commission, but a real enquiry as to how these licences for import for frivolous and luxury goods and consumer goods were issued. Also, it should be considered whether the unused licences can even now be impounded and not allowed to be used. I hope there will be a proper enquiry into the use of the foreign exchange licences, particularly when the Prime Minister has said that there was a lack of co-ordination and there was some lapse on the part of the Government; that nobody knew the entire picture for some time. That is a serious confession, and it requires a particular probing, before the House can be convinced that there was nothing *mala fide*, nothing spiteful and nothing personal in this matter.

Shri Tyagi: I think he said so in rhetoric. It was not exactly so.

Shri A. C. Guha: We all know that during these few years we have made tremendous industrial progress. Our production has gone up at the rate of about 8 or 10 per cent every year. Only in 1957 the rate of increase has come down to four per cent. Consequently also we come to the conclusion that the rate of investment has also gone down. I find from the report of the Controller of Capital Issues that in 1956, Rs. 230 crores worth of capital issue permission was given and in 1957 permit was given to the value of Rs. 153 crores. So, there is a fall of about Rs. 77 crores. It shows that in 1957 industrial investment was less by about Rs. 77 crores. That is only for the sector for which capital issue permit was necessary. I think that also would require some

serious examination by the Government. The Government should see why this investment has gone down and also why the rate of increase of our industrial production has gone down.

With this is connected the question of employment as also the question of the standard of living. My hon. friend Shri Bimal Ghose has mentioned that import restrictions mean many other anomalies to which also Government's attention should be drawn. Import restrictions may lead to reduction in production. I think that either in the *Economic Survey* or in the Finance Minister's speech—somewhere—I recollect having read that one of the causes of reduction in our rate of increase in industrial production was the lack of—rather, I should not use the word 'lack' but inadequate supply—of industrial raw materials. Shri Heda also has made out that point. That also, I feel, should be properly looked into, and there should not be any stinginess as regards the supply of raw materials for our industrial units.

Now, I come to some smaller points. There is a Handloom Board. It has been doing good work. I come from a State which I fear has got much reason to grouse about the activities of this Board. I think this Board has been going more or less on a *laissez faire* style. That means, any State which is more progressive and which shows more initiative, would get better and more aid, more money, more credit, etc., from this Board. But any State which is lagging behind, which may not have proper initiative, would not get that much attention from the Board. I think this Board should pay more attention to such States which have good prospects and which have the potentiality for development of the handloom industry but which require handloom industry to be developed for the economic growth of the particular region and which have not

the proper initiative and organising capacity for doing so. My State, I think, would belong to the latter category. I know there are many famous handloom varieties of sarees and other items in Bengal. Yet, Bengal is not getting proper share of attention from the Handloom Board, and the handloom industry has not been developing properly in West Bengal. I wish that the Handloom Board and the Minister in charge would give some attention to this, so that Bengal may also develop the handloom industry. Bengal has got its own peculiar problem. It is not only an economic problem, but it is also a political problem and social problem; and handloom and other small-scale industries would be the best solution for unemployment, for the low standard of living and for the large number of refugees coming into Bengal. So, the Handloom Board and the Small-scale Industries Board should pay some special attention to Bengal.

I am glad that reference has been made to the engineering units of Howrah. I am sure my hon. friend Shri Kanungo knows it very well. These units can produce a number of items. But they should be supplied with better equipment and they should be given assistance for the standardisation of their products. There should also be some marketing arrangements for them.

There is a craze in our country for every industrial unit to become self-sufficient. The cycle industry and the automobile industry try to produce every small bit of parts. I think that should be discouraged. The cycle industry and the automobile industry should be made to purchase the small parts from the smaller engineering units. I am sure that the Howrah units and some in Punjab and Dehra Dun in Uttar Pradesh can produce a lot of engineering units, which would give employment and help the country to raise the standard of living of the ordinary man. I am pleading from

that point of view, particularly for the Howrah engineering industries.

As regards small-scale industries, there is a Small-scale industries Board. There the main difficulty is marketing. The Ford team on small-scale industries have also laid particular emphasis on marketing and said that there is little use in designing better quality goods, or arranging for finance for industries, or setting up technical institutes, unless there is a corresponding increase in the market facilities. Unless you provide proper marketing facilities for the small-scale industries, it is no use starting the small-scale industries in rural areas. The small-scale industries are suffering and practically dying out, because of lack of proper marketing facilities, which should be organised, they should get supply of raw materials at a cheaper rate and there should be better technique of production. Moreover, they should try to develop markets within the rural areas. The rural people should be taught to utilize those products. That calls for the best marketing facilities. Otherwise, the raw materials will have to be carried from towns or from the industrial centres to the rural areas and then the finished goods will have to be carried to the industrial towns or some big cities. That means a lot of transport expenditure. So, they should try to build up some demand in the rural areas for the products of the small-scale industries.

There is one Silk Research Institute in Berhampur. West Bengal is a silk-producing centre. It ranks as the second best silk-producing area in the country. There is a proposal to transfer that Research Institute from Bengal. I hope it will not be done. It is not only for any local interests, but is also necessary for the development of the silk industry that the Institute should remain in West Bengal.

Last, I wish to come to one factor, to which I referred on a previous

[Shri A. C. Guha]

occasion on the discussion of the State Trading Corporation. We are now expanding our nationalised sector. We have been producing a lot of articles. In most of these cases the State is a monopoly producer. So, there should be some consumers' council to fix the price and also a rates tribunal. This is not my suggestion alone. This is the suggestion made by the Fiscal Commission about five years ago.

Last time I referred to the raising of the price of cement by about Rs. 11 or Rs. 12. I said that it is an indirect way of imposing an excise duty, which is the privilege of this House alone. I am glad that this year they have transformed it into an excise duty of Rs. 5, the balance being adjusted in the cost of production or something like that. I think for everything produced in the nationalised sector there should be a consumers' council and a rates tribunal. Not only for this, but for other things like steel and cement, they should have these councils. Now the State has a monopoly over these things. Now the State can dictate the price, and it does not dictate the price; it should dictate the price also. I have no objection to that. But the consumer also should be consulted in this matter as to how much he should pay. If it is the policy of the Government to inhibit consumption, the consumer should be taken into confidence. He should be told that in the economic policy or industrial policy we want to inhibit internal consumption, so there should be a rise in prices. If it is not necessary to inhibit the internal prices, the prices should be brought down to the level which is within the easy reach of the common man. I plead that there should be consumers' councils and rates tribunals for fixing the prices of all these commodities, produced and distributed by these national institutions. The rates tribunal has to hear appeals. Just as in the case of the Railway Rates

Tribunal, every individual must have an opportunity to file an appeal.

I think I have completed all my points. Lastly I would again say that the cornering of shares in established industries should be properly taken care of. Otherwise there will be many Mundhra affairs in the country and many of our well-established industries will go to ruins.

Shri Tyagi: Minus the minister.

Shri Dasappa (Bangalore): Mr. Deputy-Speaker, I join my hon. friends who have expressed their gratitude to the hon. Finance Minister for giving the concession by way of reduction of excise duties to the textile mills. I am very glad that my hon. friend, Shri Guha, has referred to the power-looms, which sector has been very hard hit because of being clubbed with composite mills. I will refer to it a little later and, if you will permit me, I will quote certain figures to prove conclusively and beyond any doubt how the power-loom products cannot face competition with the composite mills.

I consider that the Ministry of Commerce and Industry is one of the vital Ministries in the governmental machinery. India is predominantly an agricultural country. And much of the trouble today has arisen because there has not been proper balance between our industries and our agriculture.

We talk of unemployment in the industrial sector. I do not deny that it is there to some extent. But, what is the extent of unemployment and underemployment in the field of agriculture? It is colossal. There is no question of comparison so far as our industrial sector is concerned. Therefore, I would say that it is the most important Ministry in the governmental machinery.

I am very anxious that all the activities, schemes, projects and programmes of this Ministry so far as development of industries in any sector is concerned—public sector, private sector, large-scale, medium scale, small-scale and so on and cottage industries included—should not be curtailed in the interest of the country, except—I would like to add a clause—to the extent that our foreign exchange does not permit such development. Otherwise, I feel that we must mobilise our resources to build up all those industries which the Ministry has got in view.

I was rather surprised when my hon. friend of the Communist Party, Shri Prabhat Kar—a very good friend—harped back to some years when there was not the same due care and caution and economy in the use of our foreign exchange. I am afraid, he was trying to lock the stables after the horse was stolen. It is true that there were hon. Members here and in the other House, who struck a note of caution and said that they have to have an eye on this question of foreign exchange and expressed their apprehension that it was running away without any proper control. If the Government had then heeded the advice tendered by the hon. Members of the House, it would have been all for the better. But what is the good of beating the dead horse, more or less, now?

I think, indirectly these hon. Members were paying a very handsome compliment to the hon. Minister presiding over the Commerce and Industry Ministry today because they had nothing whatever to criticise so far as his activities in the Ministry were concerned.

Shri V. P. Nayar: Wait for some time.

The Minister of Industry (Shri Manubhai Shah): That is, we have come out on the top.

Shri Dasappa: One lesson seems to come out very prominently because

of our past experience and that is that the Ministry of Commerce and Industry, on the one hand, and the Ministry of Finance on the other, must work in greater co-ordination than they have done in the past. I found a perceptible and a noticeable change in the attitude of the ex-Finance Minister after he took charge of Finance. If only he had exercised the same caution when he was the Minister of Commerce and Industry, things would not have come to this pass. It is our supreme good luck that the hon. Minister who is now in charge of Commerce and Industry, is taking over Finance. Already, he has given indication of the kind of control that he is exercising over the various activities and, being himself a man of extreme austerity—I almost see in him another Sir Stafford Cripps and I hope he will stick on to that attitude and will contribute to the easing of the situation in much the same manner as Sir Stafford Cripps did after the war . . .

Shri Asoka Mehta (Muzaffarpur): And the Labour Government fell.

Shri Dasappa: Let me say I am not one of those who are pessimistic like my hon. friend Shri Ghose, for instance. He expressed his fear and apprehension that the situation has got out of control and is very difficult to handle. It is true. There is some difficulty but I do not think that the horse cannot be caught and brought back to the stables.

As regards import and export policy, I entirely am in accord with the policy that the Ministry has adopted. I would only say that pressures will be brought so far as imports are concerned, maybe even from the men who now are asking the hon. Minister to be very strict. Pressures may be brought by the very people, but I am suggesting only this that one has got to be very strict with regard to the maintenance of the present restrictive policy so far as imports are concerned, except, as I said, when it seriously affects

[Shri Dasappa]

any situation. I always make some room for exceptions, but let not the exceptions take the place of the rule.

I would suggest one other thing so far as the Import Advisory and Export Advisory Councils are concerned. While they meet separately—they can, certainly, they have got their own specific problems and they can certainly deal with them—it would be perhaps better if at the time of having these meetings, the two meetings are held jointly so that the whole people who are anxious to import may know what exactly the situation is so far as our export problems are concerned. Likewise, those who are either for increased exports or for decreased exports, would be able to better appreciate the situation as a whole.

I am very happy to see the way in which the National Industrial Development Corporation is functioning because we have got to build up industries and I am glad that this Corporation has come into being in order to explore the possibilities of various industries, which we have not got now relating to commodities which we have got to import from abroad. Already they have made a very perceptible progress as the reports go to show. What the report placed in our hands does not show is with regard to an industry in which I used to take some interest, i.e., the raw film industry. I am very happy to see that they have concluded an agreement with a foreign firm for its manufacture. I hope I am right in thinking that there are no snags about it and subject to the usual question of foreign exchange etc. it is going to be smooth sailing. India is the second largest user of raw films in the world, next to U.S.A., and if only we save this foreign exchange, not only will we help in easing the situation, but we will, I suppose, create so much more employment.

There was some reference to tea. Our economy is a mixed economy. We are not all for nationalisation

nor are we votaries of capitalism and are for the private sector. But I want to say that even in America about 20% of the industries are in the public sector and in India taking the totality it does not amount to more than 7%. So, let not the people, I mean those in the private sector, unnecessarily be agitated over the fact that we are taking over more and more to nationalisation and development of the public sector. I say this for another reason. We are talking about tea. Turkey is not a Communist State—it is not even a socialist State—but in Turkey the manufacture of tea is entirely in the hands of the State. The growing of tea is in the hands of the private sector but the manufacture of tea is in the hands of the State with the result that you are able to control better the whole business of tea. I do not say that it must be immediately taken up but this is a matter which is worth examining. Likewise in Turkey—you are aware that Turkey's cigarettes are world famous—the entire cigarette manufacturing industry is in the hands of the State. I ask, Sir, if Turkey—I do not say small or big, it is one-fourth of India—could do this, why should we not do this? We can not get rid of cigarettes, I personally do not believe in converting cash into ash, still I feel that when the people are prepared to do it, why should we not provide them with cigarettes which will augment the resources of the State.

Then, coffee. I find, in the next year, we have not provided for greater export of coffee than what we have already done. I am a coffee-bhakta, a lover of coffee. But, I am prepared to deny myself coffee if it means that we can earn some foreign exchange. Therefore, I want greater export of coffee, and at the same time, to give greater facilities for expansion of coffee. Coffee has a good market now. It would be worth while to expand the production of Coffee.

Then, I come to silk. Sixty per cent. of the silk is from our State of Mysore,

or even more than that. I find that the constitution of the Silk Board is justified in the circumstances and it is doing very good work. But, I think certain other things have got to be done if you have to get the best out of the Silk Board. Formerly, we used to send out a large number of people from the silk industry engaged in reeling and so on, to Japan, Italy and other countries. Because of financial difficulties, the States are unable to do it. The Silk Board, luckily, has got certain finances and I hope it will be possible for the Board to despatch a number of people in the industry to Japan, China and Italy. We have not been able to manufacture international grades of silk, yet in India. Why should we not do it, if China, Japan and Italy can do that? We have got silk of the best quality in the world.

Then, I come to the question of powerlooms. I would like to say this to the hon. Minister for Commerce and Industry who has expressed his views after the new levy enhancing the excise duty on powerloom cloth elsewhere. I have argued this matter with a number of people, textile magnates and others. They are all convinced of the righteousness of the case that I am going to put forward. If I can only get round the hon. Minister for Commerce and Industry, I think it will be a great blessing and a boon to the powerloom industry, as I will presently show.

So far as units 101 and above are concerned, they are only sixteen in the whole of India. I am not referring to those powerloom units which worked as composite mills formerly and which for some reason of their own have frozen the spindles and want to be treated as powerlooms. I have no sympathy for those people. Let me not be mistaken as saying one word in favour of these people—the composite mills who have converted themselves into powerlooms. I am talking of the powerlooms that have been there from the very beginning. I am giving some figures; after all, they are a very small number.

Out of 25,000 powerlooms producing 200 million yards, there are only 2,600 powerlooms in the units 101 and above. You have seen how so many mills were affected because of heavy excise duties. It was only killing the goose that was laying the golden eggs. Forty composite mills were affected: 23 were closed and 17 were in a state of suspended animation. Yesterday's announcement has put heart into the affair and you will have more production, more excise duty and more revenue. With regard to the powerlooms, a situation has arisen in which it would be almost impossible for them to survive. You will see, in August 1957, the production of the composite mills in one month went up to 478 million yards. At that rate, the production should have been 5736 million yards a year. But, yet, where are we? We are far below that. The note says that it is only 5340 million yards in 1957 as against 5306 million yards in 1956, a grand increase of 34 million yards. Surely, in one year, the increase should not have been only 34 million; it could easily have been, as I said, 300 or 400 million yards. In February, 1958, it came down from 478 million yards to 390 million yards. I am quoting these figures to show how it is a wrong policy to try to kill the goose that lays the golden eggs.

Then, coming to the relief that was given yesterday, the composite mills certainly got a decided advantage over powerlooms of 100 units and above. The excise duty is the same. I shall refer to two things. First is the cost of yarn which the powerlooms have got to buy in the open market. The composite mills get it at their spindle point and it costs them nothing extra. Therefore, the power looms are at a tremendous disadvantage. The disadvantage is, as I will presently show, with regard to the cost of yarn. I come from a place in South India. I do not want to say north and south. There is nothing like that. The moment I say South India, people say you are regional-minded, and this

[Shri Dasappa]

and that. After all, I have got to look after all regions: not only one region. If the south suffers, we have to look after the south.

What I say is this. There are three zones: the western zone, the eastern zone and the southern zone. The western zone specialises mostly in what you call cheaper superfine. The eastern zone specialises more or less in cheaper fine. The southern zone specialises in coarse and medium. The levy is the same for all these. I shall give some figures. On yarn only, there will be a difference of Rs. 96.20 so far as one bale is concerned. Further expenses there are, like winding of hanks, waste in winding, etc. The total comes to Rs. 132.68 for a bale which costs Rs. 680. I am only taking 20 counts which is in use. A composite mill gets it at Rs. 680 minus Rs. 132.68 whereas the powerloom man has to pay Rs. 132.68 over and above what a composite mill can get yarn for.

The result will be as follows. The production of a powerloom is— it is agreed on all hands by the Government, by the experts and so on— 1750 linear yards per month. If the additional cost is calculated, you will find that for a powerloom, that is for two shifts, the powerloom man has got to pay Rs. 145.12 extra. For twelve months, it comes to Rs. 1741.44. For 100 looms, it comes to Rs. 1,74,144. This is the extra expenditure, disadvantage to which a powerloom man is put. If he has 100 looms, he has got to shell out Rs. 1,74,144 as extra price for yarn only.

This is not all the havoc that is created in the situation. The price of composite mill fabrics is always higher because of better processing. He has got better yarn for himself. If he wants for his own cloth, he spins better. For selling, any yarn is good. Then he has got calendering, finishing, bleaching, one thing or the

other which all go to fetch him for the same yardage a better price. What is the price difference? I have calculated it. The price difference is 9 naya paisa per yard. Calculated on the basis of the total production for twelve months, the lower realisation of a power loom of hundred units would be Rs. 1,89,000. So, the total difference is Rs. 3,38,144 and so the powerloom man is at a disadvantage.

I am prepared to place these figures before any body of experts. I am not trying to run away with these things. I do not want to say the hon. Minister must give me a reply today. I want this matter to be examined, and if I am wrong, I shall eat my own words and apologise to anybody. On the other hand, if my figures are correct, all that I say is that it merits consideration, and sympathetic handling of the situation.

How this came about is also fairly well known. Nobody felt it until the duties were enhanced somewhere last December, i.e., 1957. Then the mill-owners of Bombay and the millowners' association of Ahmedabad jointly sent a wire to the then hon. Minister of Finance and the hon. Minister of Commerce, where they said:

"Powerlooms were already enjoying considerable margin over composite mills particularly in fine superfine goods."

Please note their stress on fine and superfine, because they are wider lengths, and the same loom produces more cloth, whereas in the South it is of narrow width, and then it is only coarse and medium.

Further, this is what they say:

"Fine superfine goods produced by composite mills will have to face serious difficulties due to this factor as well as high incidence of excise on such varieties. Associations urge suitable remedial action."

That was on the 17th December, and on the 11th January they wrote like this. They have given some

figures with regard to only fine and superfine, not medium and coarse.

"My Committee, therefore, strongly urge upon Government to reconsider the matter and adjust the duties so as to ensure that composite mills do not have to suffer unfair competition from the power-loom sector."

I think this should be noted. They only wanted to be saved from unfair competition from the power looms sector. Perfectly right, I cannot deny them that, but let us work out what amounts to unfair competition. They only asked that the power looms should not be given unfair advantage over the composite mills, that the treatment should be alike.

Here is the report of the Kanungo Textile Enquiry Committee presided over by my hon. friend, the hon. Minister of State, Shri Kanungo, where I had the honour of working along with him. The findings are there. I do not want to read the findings. On the question of reservation they only said that they must be given time till 1960 and afterwards there should be no reservation. That is all, nothing more than that.

As per the recommendation of the Kanungo Textile Enquiry Committee, the Bombay Government appointed a powerloom enquiry committee. The Chairman of that Committee was Shri Purshottam Kanji. I do not know the gentleman personally, but I am told he is a Member of the Khadi and Village Industries Board. Could they have selected a safer person to protect the handlooms and to mete out justice between the various sectors of the textile industry? There were other Members also. Among the other Members were a gentleman from the Servants of India Society, Poona, the Director of Industries, Bombay, the Joint Registrar for Industrial Co-operatives and Village Industries, Poona, and the Deputy Registrar (Handlooms). All these sectors were represented there. And what do they say?

I will only read the summary. I do not want to read the whole of it. This is their recommendation:

"If the larger powerloom establishments are to be bracketed along with the mill industry and hence deprived of the concessions of reservations of varieties ...

—I agree, I have no quarrel with that. Let whatever Shri Kanungo has said be done—

"...the differential excise duty on the present scale between mills and the powerlooms should continue."

Just the other day this report has come by the Bombay Government's own committee. Then, how does it happen that so soon after these expert findings we want that units of 100 looms and above of power looms should have the same duty as the composite mills?

I hope I have said nothing which will wound the susceptibilities of anybody. I would beg of the hon. Minister to exercise all his usual sympathy and examine the facts. It is a very easy thing, I will give a suggestion. There is the excise duty on the composite mill's cloth. You have got here the cost of production and lower prices. Give a rebate to cover that much and no more. Cannot that be done? After all, for 2,600 looms what will be the production?

Mr. Deputy-Speaker: The hon. Member should conclude now.

Shri Dasappa: Yes, Sir. I conclude with this fact, namely, that the loss to Government will be nothing. They must exercise all the sympathy which they can give to see that this sector is maintained and is not absolutely driven to extinction and also create problems of unemployment.

Shri Kasliwal (Kotah): I join the hon. Members who have preceded me in congratulating the hon. Minister

[Shri Kauliwal]

and his able colleagues on their efficient handling of this Ministry. The tenure of office of the hon. Minister has been brief, but it shows an impress of his personality on this Ministry. The new incumbent of this high office is also present in his House just now, and I also offer my congratulations to hon. Shri Lal Bahadur Shastri who will soon enter this office.

Hon. Members who preceded me have said that it is a very important Ministry, that it is a key Ministry, a Ministry which is responsible for the industrialisation of this country, a Ministry which is responsible in so many other ways not merely for the economy of the country but for the life of the community as a whole. I agree with all that has been said in this connection.

Many hon. Members have also mentioned about foreign exchange, the foreign exchange gap which is staring us today and which now, I believe, the hon. Minister is trying to close. We know the steps he has taken about import restrictions. I was a bit surprised when one hon. Member sitting by my side talked of export and import promotion. I think he only meant export promotion and import restriction, because in the context of our economy today there is no such thing as import promotion.

I was not present in the House when one hon. Member that side spoke about export promotion, and I must be forgiven if I cover the same points again, because I know that the hon. Member is a very able Member and he might have covered many points with regard to export promotion.

Many steps have been taken by the Ministry with regard to increasing or augmenting our export trade. For example, we know that a Foreign Trade Board has been established, export promotion councils for various

commodities have been set up, standardisation of products is being effected. There is quality control over goods, even packing materials are being examined. All these things are being done, but I would very much like to ask whether the Ministry has got a long-range policy with regard to our exports, whether we have been told what is going to be the policy of the Ministry with regard to exports not merely during the rest of the second Plan period, but the third Plan also. It is time that the Ministry sat down to examine what we propose to do not merely during the next three years, but during the third Plan also. There are many other goods which will be produced in the country during the course of the next two or three years and I would like the hon. Minister to take the House into confidence as to what is their plan for the export of those goods.

Everybody knows well that tea, jute and cotton textiles are the three important commodities which account for almost half the exports. But today we cannot and we should not rely upon these exports alone. We have to encourage other commodities also for export. I would like to ask what we have done in this regard. Take the case of steel and pig iron. Two of our steel plants are going to manufacture pig iron by the end of this year and if we are going to have foreign exchange, it will be necessary that the products of those steel plants have to be found markets abroad. We cannot go on consuming all that steel and pig iron in our country alone. We would like to be told what are the plants of the Ministry with regard to the export of those goods.

We have been told and we have discussed once about the automobile industry that they had plans about the export of trucks and cars also. But we do not know what steps have been taken or how many trucks and cars have been exported this year. I

do not propose to go into other products, but take the case of one very important industry, namely light engineering goods. It was a sheer coincidence that when a meeting of the Engineering Export Promotion Council was taking place in Calcutta, I happened to be there. The hon. Minister was presiding and I attended that meeting. I was surprised to find in the address of the President of the Council that the manufacturers of these light engineering goods were not export-minded. It came as a bit of shock to me. Subsequently he said that they were taking various steps for the export of these goods. If that is so, I would like the hon. Minister to tell us what further steps, apart from the establishment of the Export Promotion Council, they are taking for exporting these goods.

Then, I will come to another topic, namely, the State Trading Corporation. My hon. friend, Shri Guha, referred to the State Trading Corporation. But he referred to something else. I believe that the activities of the State Trading Corporation must be expanded. I congratulate the Ministry on the very able and efficient manner in which the State Trading Corporation has functioned, and I would very much like that many other commodities, which are today being exported in a haphazard manner, should be exported through the State Trading Corporation. The case of iron ore and other ores is there. Today this State Trading Corporation is taking a hand in it. There are many large export and import houses which are doing many things which they should not do. I question the desirability of having these large import and export houses who make tremendous profits at the cost of the other people. I do not see why today these import and export houses should continue, in the context of our objective of a socialist pattern. I would very much like that the Minister would be kind enough to examine the whole position. I do not have the figures with me; I do

not have the names of these big export and import houses who are indulging in this kind of trade and so I am unable to tell anything to the House. But I believe the time will come when those figures and names will be available to me and I shall tell the House the activities of these import and export houses. But today I want to tell the hon. Minister that the State Trading Corporation has done good work and its activities must be expanded.

Then, I would go to another topic, namely trade treaties and agreements. I believe no hon. Member has touched upon the nature of our trade agreements. What is the nature of our trade treaties? That is what I would like to ask. A pamphlet has been given to us about India's trade agreements with other countries. But that is before 1953, published by the Ministry of Commerce and Industry. I wish such a pamphlet had been given to us telling us about our treaties up to 1957. Anyway, I ask, what is the nature of our trade treaties? The late hon. Krishnamachari—I am sorry, the *ex*-Minister—while addressing the Export and Import Advisory Council said that our trade agreements are determined more by our requirements of imports than our means of exports. If that is so, that is a very sad affair. I do not know whether the treaties which are entered into with other countries are more with regard to our exports than with regard to our imports. Mr. Manubhai Shah, our Deputy Minister for Industries....

Mr. Deputy-Speaker: He is Minister.

Shri Kasliwal: I am sorry, the Minister for Industry, wrote a very fine article in the *Economic Review*. There he has given some examination of our exports, how the trade treaties had been revised with other countries and in what respects those treaties have resulted in the augmentation of our exports. At page 10 of the

[Shri Kasliwal]

Economic Review of 1st November, 1957, he writes:

"It is difficult to isolate the effect of any one or more steps on the development of the country's trade. Nevertheless, it is noteworthy that India's exports to agreement countries rose from Rs. 78 crores in 1953-54 to Rs. 88 crores in 1954-55 and Rs. 98 crores in 1955-56. Exports to these countries during the 11 months from January to November, 1956 amounted to Rs. 93 crores."

The result is, with all these trade agreements, we are having only an extra Rs. 10 crores of exports every year. This is a very small amount. We need much more foreign exchange and for that purpose, we need far more exports than what we are having today.

With these words, I support the Demands for Grants relating to the Ministry of Commerce and Industry.

Shri Ghosal (Uluberia): Without going into the points that had already been discussed by the hon. Members who preceded me I would like to point out the defects in the technique of expanding our industries in the private sector and public sector. Yesterday, our hon. Prime Minister accused the people about their sectarian attitude on the different problems. But I must say with regret that the Government of India is also not in a mood to see India in its entirety. In order to feed provincialism, Government are setting up industries in the public sector scattered all over India in the garb of developing the under-developed areas, without considering the proximity or availability of raw materials. The availability of raw materials is a geological advantage, and this factor should have been taken into consideration in establishing the various industries. It helps the manufacture of commodities at a low cost of production. And if articles can be

manufactured at a low cost of production, the people of the non-industrial areas also can become gainers by getting the articles at a cheaper rate. It should be borne in mind that the mere setting up of an industry in an under-developed area does not *ipso facto* help the people of the under-developed areas in raising their standard of living, unless it be that there are other considerations also.

15 hrs.

I shall give only one example, namely the Nepa newsprint factory which has a producing capacity of about 30,000 tons per year only, though our domestic requirement of newsprint is, of course, about 80,000 tons per year; but the Nepa Mills cannot produce more than 10,000 or 12,000 tons of newsprint per year, owing to difficulties in the power supply. If only this factory could have been established in the DVC area or in any other area where electricity would have been available, then the capacity of the factory could have been utilised to the fullest extent.

The Durgapur area is also full of natural advantages, and Calcutta which is the biggest drug centre of Asia is also near to it, and there would be great possibilities if the factory for heavy chemicals and drugs were established there. We know that one company of Calcutta applied for a licence to set up a drug factory there, but that was turned down on the ground that in future some factory like the Central Intermediates Factory would produce them. Even the West Bengal Government approached the Central Government for producing some drug elements as by-products from their coke oven plant, but cold water was thrown on their enthusiasm and they were told that the National Industrial Development Corporation would manufacture the same drugs on a huge scale. But to our utter surprise, we find that instead of these being produced through

the National Industrial Development Corporation, Messrs. Sarabhai Chemicals and Messrs. Atul Products have been authorised to manufacture them.

In the private sector we find that foreign capitalists are non-cooperating with the aspirations of the Indian people and that will be evident from the condition of the industry and trade where they have the monopoly. If we take the instance of the tea industry, we find that three-fourths of the tea gardens are under the control and ownership of the foreigners. India is the world's largest tea-growing and tea-exporting country, producing more than 600 million lbs of tea annually. But the results of the Mining Lane Auction decide largely the fate of the tea trade in India. The Plantation Inquiry Commission recommended that the Tea Board should at least control and regulate the sale of tea in the Calcutta and Cochin auctions, but we do not know why the Government of India are hesitating to implement it. Though it can earn huge foreign exchange, we find that the tea companies, by curtailing production and restricting exports and controlling prices, are sabotaging the whole tea industry.

If we take the instance of the jute industry, we find how the Indian Jute Mills Association by its powerful monopoly position is able to control the profit-rate by ruthlessly planned and organised freezing of production policy. In 1957, the export of jute has increased to a great extent, and yet we find that about seven jute mills in West Bengal have been closed down. Perhaps, Government will agree with me that the losses in these jute mills are in most cases due to mismanagement. I would, therefore, request Government to begin a formal investigation into these closures.

The RSN & ISN & RG Co., the biggest inland water transport company is one of the biggest foreign companies in that field. They are trying to curtail their business and close

down, and as a result of it, there is a chance of the projects of Assam, NEFA and Manipur being sabotaged. The Indian counterpart of this company in the private sector is also trudging the same track.

During this nation-building period, when the poor masses of the country are agreeable to bear the brunt of the economic burdens, the private sector is not agreeable to tolerate even a scratch on its profits. If we take the example of the cotton textile industry in West Bengal, we find that one cotton mill is lying closed down since 1953, while the Bhagyalaxmi Cotton Mills and the Hanuman Cotton Mills have closed down about 20,000 spindles very recently. Though Government have adopted a liberal policy of exports as regards cotton textiles, and though we find that the prices have not come down in the market, yet we do not know why we hear of over-production and accumulation of stocks.

If we take the example of the chemical industry, we find that the Bengal Chemical and Pharmaceutical Works of Calcutta, a pioneer in chemical industry, established as early as 1901, have been frequently locking out their factory on various flimsy pleas, and thereby sabotaging the progress of our country as a whole as regards chemicals. I would request Government to take due notice of this. In this connection, I would request Government to lay more emphasis on the chemical industry, which is one of the most basic industries. Of course, it has got various ramifications, but greater attention should be focussed on two types which form the core of the industry, namely, fertilisers and heavy chemicals. We know that a large amount from the State Trading Corporation is locked up in importing caustic soda, soda ash and raw silk. Immediate steps should, therefore, be taken to manufacture these heavy chemicals in our country. Food production is also very much

[Shri Ghosal]

dependent on fertilisers. In the beginning of the Second Plan, Government made a mistake by not laying emphasis on food production. India is still an agricultural country. On adequate production of food, not only is the question of saving of foreign exchange involved, but also the question of raising the standard of living of the peasantry.

Now, I would like to mention about the possibilities of some industries in West Bengal. Salt is also a foreign exchange earner, and perhaps Japan is our biggest customer. At present, there is a small private salt factory at Contai producing 2.9 lakhs tons of salt per year. Though the West Bengal Government submitted a scheme for the development of salt industry in the Contai sea board, and a French company also advised the starting of a salt factory there under the scheme of solar evaporation, whereby a huge quantity of salt can be manufactured, we do not know why it has not been accepted. Without incurring much expense, under a mechanical scheme, we can also manufacture salt in the Contai sea board if the Government take the initiative in that connection.

As regards cement, though we have heard that the Government have adopted the policy of setting up cement factories on a regional basis, in West Bengal there is not a single cement factory till now. We have heard that two private companies are going to be permitted to have cement factories in Durgapur. They would use the slags of the Durgapur Steel Works for manufacturing cement. But we do not understand why the Government themselves are not taking the initiative but handing over production to the Birla company for producing cement in Durgapur. They have decided to bring limestone for the cement factories from Bihar. The Geological Survey of India have already stated that they have found limestone deposits in Purulia. We hope that the limestone deposits of Purulia would be utilised to feed the cement factories of Durgapur.

Now, I would like to mention about an industry that has already been mentioned by my hon. friend, Shri A. C. Guha—I mean the sericulture industry in India. A miserable state of affairs exists and the whole industry is facing a crisis. Since 1952-53, each year the Central Government have allocated huge amounts of loans and grants to the West Bengal Government. But for the last few years, the West Bengal Government has not been able to spend even one-fourth of those amounts. Therefore, the Central Government should not sleep over this subject on the ground that it is in the State sphere. They should inquire why this industry of West Bengal is facing this crisis. Mere transfer of the Sericulture Institute will not solve the problem.

Lastly, as it is not possible for our country to switch over our economy from the agricultural sector to the industrial sector and as it will not also be possible to open the flood-gate of employment potential in our industries immediately, the development of cottage and village industries is needed. In my State, a huge quantity of electricity is produced by the DVC. But how is it utilised? Power is being sold to the big jute and cotton mills and engineering factories. The main purpose for which the electricity was produced is not being served. Like an ordinary commercial firm, Government are selling energy to the big capitalists. The question of rural electrification or supply of power to village or small-scale industries is out of the question.

I would request Government to see that this power is supplied to the small-scale industries of Howrah and other areas of West Bengal so that industries can be developed in those areas at a low cost. It has already been mentioned by some hon. Members that at Howrah, there are innumerable engineering factories. During war-time, Howrah was called the 'Sheffield of India'. All sorts of engineering machinery parts can be

produced in that area. But the small engineering factories are going to be closed down for want of raw materials and money. It is on the side orders of big factories of Burn Company Jessop etc. that they now exist. They cannot independently exist without their help and their kindness. So Government should take the initiative in granting loans, in supplying power and raw materials and permits for raw materials, so that these small industries can live and develop.

In conclusion, I would like to say that in any case the development of commerce and industry depends not on the magnitude of a industry or the number of factories, but on the policy that has to be pursued by Government.

श्री कौरवकर (हेदराबाद) : उपाध्यक्ष महोदय, सबसे पहली बेरी शिकायत हम मंत्रालय के खिलाफ यह है कि इनने पिछले साल को भान्ति इस साल अपनी रिपोर्ट हमारे सामने पेश नहीं की है। अगर यह रिपोर्ट हमारे हाथों में आ जाती तो हम और भी अच्छी तरह से इस मंत्रालय की मांगों पर विचार कर सकते थे। एक चार मफे की समरी हमारे पास भेजी गई है जोकि काफी नहीं है। जिस तरह से दूसरे मंत्रालयों की रिपोर्टें हमें दी जाती है, उनी तरह से इस मंत्रालय की रिपोर्टें भी हमें दी जानी चाहिये थी।

जिस तरह से इसने रिपोर्टें देने में सुस्ती दिखाई है, उसी तरह की सुस्ती यह मंत्रालय इंडस्ट्रियल प्रोडक्शन के बारे में दिखा रहा है। यद्यपि हमें रिपोर्टें नहीं दी गई है तथापि अर्थ मंत्री जी के भाषण क साथ साथ जो अर्थ समीक्षा का एक पैम्फलेट हमको दिया गया था उसमें यह मालूम होता है कि पिछले दो सालों के मुकाबले में इस साल इंडस्ट्रियल प्रोडक्शन में काफी कमी हुई है। १९५१ को इंडस्ट्रियल प्रोडक्शन को अगर इकाई मान लिया जाए तो १९५४-५५ में यह अंक १२२ था, १९५५-५६ में १३३ और १९५६-५७ में

१४४ हुआ और अब जाकर १४८.९ हुआ है। इसका मतलब यह हुआ कि जहां पिछले तीन सालों में बराबर १० प्रतिशत की इंडस्ट्रियल प्रोडक्शन में वृद्धि होती रही है वहां इस साल, यानी द्वितीय पंच वर्षीय योजना के काल में, जबकि यह कहा जाता है कि इंडस्ट्रियल प्रोडक्शन पर ज्यादा जोर दिया जा रहा है, यह अंक घट कर केवल ४ अंक पर या थो कहिये कि साढ़े तीन प्रतिशत रह गया है। यह जो इंडस्ट्रियल प्रोडक्शन में कमी हुई है, यह चिन्ताजनक है और दिल को धक्का लगाने वाली है। यदि इसी तरह से यह कमी होती गई तो इस योजना में इंडस्ट्रीस पर ज्यादा तबज्जह देने में क्या फल हमारे सामने आयेगा नहीं कहा जा सकता। इस तरह से अच्छे परिणामों की आशा नहीं की जा सकती है। मैं आशा करता हूँ कि इस कमी को रोकने के बारे में कुछ न कुछ अवश्य किया जाएगा और यह देखा जाएगा कि इसमें वृद्धि हो।

अपनी तरफ से मैं इसको बहुत अधिक ध्यानक चीज नहीं मानता। इसका कारण यह है कि पिछली पंचवर्षीय योजना के आखिरी साल में यानी १९५५-५६ में जबकि बहुत सी स्कीमें पूरी हो चुकी थी और द्वितीय योजना का पहला साल शुरू हो चुका था, जो कुछ भी उन स्कीमों के कारण उत्पादन में वृद्धि हुई थी, वह इस योजना के शुरू होते ही दिखाई देने लाजिमी थी। सम्भव है १९५७-५८ में इस कमी का यह भी एक कारण हो। लेकिन यही एक कारण नहीं हो सकता है। इसके और भी कारण हो सकते हैं। मैं चाहता हूँ कि गवर्नमेंट इस और अवश्य ध्यान दे और उत्पादन में कमी न होने दे।

अब मैं इस मंत्रालय को दो बातों के लिए बधाई देना चाहता हूँ। गत साल दो बड़े करार इसने किए हैं। एक करार तो सोवियन यूनियन के साथ किया है जोकि हैवी मशीनरी बनाने के बारे में है और दूसरा जैक गवर्नमेंट के साथ ठलाई की मशीन

[श्री कोरटकर]

और कोचिंग प्लांट लगाने के बारे में है। ये जो करार भ्रमस में भाये हैं, इनका स्वागत किया जाना चाहिए। इसकी मैं मंत्रालय की दूरदर्शिता का द्योतक मानता हूँ। आने वाले सालों में बड़ी मात्रा में जो लोहा पैदा होने वाला है उसको किमी काम में लगाना, अच्छे काम में यूटिलाइज करने की कोशिश करना, अच्छी बात है और इसके लिए मंत्रालय धन्यवाद का पात्र है।

निर्यात के बारे में बहुत से माननीय सदस्यों ने कहा है। इस चीज को मैं भी चन्द एक शब्दों में दोहरा देना चाहता हूँ। पिछले साल में जो जो चीजें यहाँ पर विचारार्थ पेश की गई हैं, उनमें फारेन एक्सचेंज का माबल प्रमुख था। उस वक्त हमें यह बताया गया था कि अगले साल हम और भी अधिक माल निर्यात करने की कोशिश करेंगे। यह निर्यात ऐसी चीज है जोकि किमी देश के हृदय की गति को कायम रखता है और देश को स्वस्थ और जिन्दा रखता है। इसकी ओर हमारा अधिक ध्यान होना चाहिए। इसके बारे में जो भी आंकड़े अर्थ समीक्षा में दिए गए हैं, उन्माह-जनक नहीं हैं। अर्थ समीक्षा में बताया गया है कि पिछले साल के सितम्बर तक निर्यात २६७ करोड़ का हुआ था और उसके पिछले वर्ष सारा निर्यात ६३७ करोड़ का हुआ। इस वर्ष के २६७ करोड़ के निर्यात को हम कितना भी बढ़ा कर देखें यह इस साल मार्च के आखिर तक ६३७ करोड़ हो जाएगा, इसकी सम्भावना नजर नहीं आती है। कल अर्थ मंत्री महोदय ने इस बात को हमारे सामने रखा था कि निर्यात पिछले छः महीनों में ज्यादा हुआ है। यह बहुत ही संतोष की बात है। लेकिन उसके साथ ही साथ उन्होंने यह नहीं कहा कि यह निर्यात १९५६-५७ से भी ज्यादा होगा। इससे मालूम होता है कि निर्यात अगर बहुत अधिक होगा तो यह ६०० करोड़ तक पहुँच जाएगा, इससे अधिक नहीं। साल भर की

कार्रवाइयों के बाद और तमाम एक्सपोर्ट्स देने के बावजूद भी तथा निर्यात को बढ़ावा देने का हर सम्भव प्रयत्न करने के बाद भी अगर १९५६-५७ के निर्यात के मुकाबले में १९५७-५८ का निर्यात कम रहता है तो सचिवालय के लिए यह शोभा की बात नहीं होगी। यह किसी के लिए भी भलाई वाली बात नहीं हो सकती है। इसकी चिन्ता हमको भी तथा मंत्रालय को भी होनी चाहिए। इस वर्ष हर सम्भव प्रयत्न किया जाना चाहिए और निर्यात को बढ़ावा देने की हर कोशिश की जानी चाहिए, इस वर्ष भी अगर निर्यात पिछले वर्ष की अपेक्षा कम रहे, तो यह चिन्ता का विषय हो जाता है। यह अच्छा लक्षण नहीं है। इस ओर आपको अवश्य ध्यान देना चाहिये।

आपने एक्सपोर्ट प्रोमोशन काउंसिल बनाई है। उद्योग तथा व्यापार के पक्ष में इन काउंसिलों का रेजोल्यूशन रहता है, रिगोमंडेशन रहती हैं और बड़ी बड़ी स्पीचिंस दे दी जाती हैं वे पड़ो रहती हैं लेकिन इनमें कुछ हो नहीं सकता है। मेरा कहना केवल इतना है कि इन एक्सपोर्ट प्रोमोशन काउंसिल में खाली स्पीचिंस कर देने से और प्रस्ताव पास कर देने में और रिपोर्ट गाया कर देने में ही काम नहीं चल सकता है, उसमें निर्यात नहीं बढ़ सकता है। निर्यात को बढ़ावा देने के लिए दूसरी प्रकार की कार्रवाइयाँ करने की आवश्यकता है और म आशा करता हूँ, सचिवालय उस ओर भी ध्यान देगा।

निर्यात करने के लिए हमारे पास तीन प्रमुख चीजें हैं और वे हैं, चाय, ज्यूट, और कपड़ा। इन तीनों पर माननीय सदस्यों ने काफी प्रकाश डाला है और मैं इनके बारे में अधिक नहीं कहना चाहता हूँ। चाय के बारे में मैं केवल इतना कहना चाहता हूँ कि यह एक ऐसा व्यापार है जो कि प्रधानतः भारत के ही हाथ में था। लेकिन कुछ कारणों से आज धीरे धीरे इसमें भी हमारी

स्विति मजबूत नहीं है, क्षति होती जा रही है। वह क्षति क्यों हो रही है, इस और गवर्नमेंट को ध्यान देना चाहिए। यहां पर इस साइड से भी और उस साइड से भी यह कहा गया है और मैं इससे इस वक्त अपनी सहमति प्रकट करता हूँ, कि चाय की ट्रेड को कम से कम इस वक्त के लिए स्टेट ट्रेडिंग कारपोरेशन के हाथ में सरकार को दे देना चाहिए। इससे सरकार के सामने यह चीज अच्छी तरह से खल कर प्राएगी कि चाय की ट्रेड में कमी क्यों हो रही है और जिन कारंवाइयों को करने की आवश्यकता है, इस ट्रेड को बढ़ावा देने के लिए, वे की जा सकें और यह ट्रेड हमारे हाथ में रहे और जो फारेन मार्किट है, वह हमारे हाथ में रहे। इससे एक तो आपको विदेशी विनिमय अधिक मिल सकेगा और दूसरे आपका निर्यात भी ज्यादा हो सकेगा।

दूसरी चीज उपाध्यक्ष महोदय, मैंने आपके सामने जूट की रक्खी है। जूट के बारे में भी यह देखने में आ रहा है कि निर्यात बराबर कम होता चला जा रहा है। सितम्बर, सन् १९५६ तक जो छिमाही खत्म होती थी उस छिमाही में ५६.७ करोड़ रुपये का जूट का निर्यात हुआ था। अगली छिमाही में जो मार्च, सन् १९५७ को खत्म होती थी उस वक्त तक जूट का निर्यात एक दम बढ़ कर ६९ करोड़ रुपये हो गया था। यह एक बहुत ही अच्छी और अभिनन्दनीय बात हुई थी लेकिन यकायक फिर पिछले साल यह निर्यात एकदम कम हो गया है और सितम्बर सन् १९५७ के आंकड़ों से यह मालूम होता है कि मार्च से सितम्बर की छिमाही में ६९ करोड़ से एकदम यह निर्यात कम होकर ४७ करोड़ टन रह गया है यानी करीब करीब २२ करोड़ की कमी हुई है और यह एक बड़ी चिन्ता की चीज है। अगर महीनेवार आंकड़ों को देखा जाय तो यह मालूम होता है कि दिसम्बर, १९५७ में ८८ हजार टन जूट की गांठे बाहर गई थीं जब कि जनवरी

१९५८ में एकदम ८८ हजार से गिर कर ७५ हजार टन रह गई हैं यानी एकदम यह गिरावट हो रही है और इस गिरावट के सम्बन्ध में जांच पड़ताल करने की बहुत जरूरत है क्योंकि जूट एक ऐसा पदार्थ है जिससे फारेन एक्सचेंज हमारे देश को बहुत बड़ी मात्रा में मिलता है।

उपाध्यक्ष महोदय : माननीय सदस्य का समय खत्म हो रहा है। वे अपनी बात जल्दी समाप्त करें।

श्री कौरटकर : चूँकि घंटी बज चुकी है इसलिए मैं उन तमाम बातों को जिनका कि मैं जिक्र करना चाहता था न कह कर केवल खास २ बातों को ही कहूँगा। कपड़े के बारे में कल जो इस सदन में एनाउंसमेंट हुआ है वह बहुत अच्छा हुआ है और उसका म अनुमोदन करता हूँ। बहुत से माननीय सदस्यों ने उस ऐलान का स्वागत किया है और मैं भी उसका स्वागत करता हूँ लेकिन इतना भ्रवश्य कहूँगा कि अगर यही ऐलान कल से पहले कर दिया जाता तो ज्यादा अच्छा होता। कपड़ा व्यवसायियों ने इसके लिए बहुत शोर मचाया और अन्य लोगों ने भी उसकी मांग की और शोर मचाया और कपड़ा उद्योग में लगे ३०, ४० हजार मजदूर बेकार हो गये। इतना सब कुछ होने के बाद जो यह चीज की गई तो यह कोई बहुत शोभा की बात नहीं है और अगर यह घोषणा पहले हो जाती तो ज्यादा अच्छा रहता।

शक्कर उद्योग के बारे में मैं यह कहना चाहता हूँ कि यह उद्योग बहुत तेजी के साथ हमारे देश में बढ़ रहा है। इन दस सालों के अन्दर शक्कर का उत्पादन हमारे देश में करीब २ दूना हो गया है जब कि संसार के अन्य देशों की अपेक्षा यह देश बहुत कम शक्कर खाने वाला है और अभी भी अनेक और देशों के मुकाबले यह केवल एक दसवाँ हिस्सा शक्कर खाता है। जितनी तेजी के साथ शक्कर

[नी फोर्टकर]

उद्योग इस देश में बढ़ रहा है उसनी तेजी के साथ शक्कर की खपत भी हमारे देश में बढ़ेगी, यह नहीं कहा जा सकता पिछले दो सालों में २० नये चीनी के कारखानों की स्थापना की इजाजत दी गई है और ३० चीनी के कारखानों के विस्तार की इजाजत दी गई है। जब देश में शक्कर का उत्पादन आगामी ४, १० वर्षों के भीतर काफी बढ़ने वाला है तो इस मंत्रालय को इस बात का ख्याल रखना चाहिए कि यह जो ज्यादा शक्कर पैदा होने वाली है वह पड़ी न रह जाय और बाहर के देशों में उसका निर्यात करने के लिए कोई माकूल स्कीम बनानी चाहिए।

मैं शुगर एसोसियेशन को धन्यवाद देता हूँ कि पिछले साल उन्होंने नो प्राफिट मो लीस बेसिस पर १३ कोड़ की शक्कर बाहर भेजने का प्रयत्न किया है लेकिन यह पर्याप्त न होगा और सरकार को इस बात के लिए पूरी तरह इंतजाम करना चाहिए कि शक्कर की उत्पत्ति जिस तेजी के साथ बढ़ रही है उसको देखते हुए वह उसके निर्यात की व्यवस्था करे और इस चीज के ऊपर उसके लिए गौर करना बहुत जरूरी है।

उपाध्यक्ष महोदय, बाकी चीजों को छोड़ कर मैं प्रांथ प्रदेश की जनता की तरफ से कुछ अपनी मांगें भी सचिवालय के सामने रखना चाहता हूँ और सबसे बड़ी चीज निजामाबाद में जो म्यूजपेपर फैक्टरी खोलने का विचार सचिवालय के सामने है उसको जल्दी से जल्दी कार्यान्वित किया जाना चाहिए।

बोधन, डिस्ट्रिक्ट निजामाबाद में एशिया की सबसे बड़ी शुगर फैक्टरी है और सालों टन फोक (bagasse) वहां पर जला दिया जा रहा है। उसके लिये केन्द्रीय सरकार के सामने एक बड़ी मारी

स्कीम है कि वहां इस फोक को काम में ला कर म्यूजपेपर, भल्लकारी कागज का कारखाना खोल दिया जाय जिसकी कंपसिटी कम से कम भायद १ हजार टन मासिक के करीब करीब होगी। यह चीज २ साल से चल रही है और अभी तक जहां तक मेरा ख्याल है खतोकितावत के भागे वह चीज नहीं गई है जो कि हमारे लिए एक तरह का दाग है। खासतौर से इसकी धोर में इसलिए धोर भी तबज्जह दिलाना चाहता हूँ कि केन्द्रीय सरकार ने एक दूसरी ऐसी ही फैक्टरी के लिए प्राइवेट सैक्टर में इजाजत दे दी है और अगर प्राइवेट सैक्टर की फैक्टरी पहले खुल जायेगी और वहां पर पहले काम शुरू कर दिया जायेगा, पता नहीं कहा तक सही है लेकिन मैंने सुना है कि उसके लिए बहुत सी कार्यवाहियां भागे बढ़ चुकी हैं और अगर यह फैक्टरी पहले खुल जायेगी और पब्लिक सैक्टर में खुलने वाली फैक्टरी उससे पीछे रह जायेगी तो यह भी कोई हमारी नीति को देखते माकूल बात नहीं होगी। उसके प्रतिरिक्त इस वक्त हिन्दुस्तान को भल्लकारी कागज की बहुत सस्त जरूरत है। कल ही हमारे प्रधान मंत्री महोदय ने इस चीज को सामने रखते हुए यह कहा था कि किताबें यहां पर सस्ती होनी चाहियें और किताबें तभी सस्ती हो सकती हैं जब कि भल्लकारी कागज का उत्पादन काफी मात्रा में होने लगे। इसलिए गवर्नमेंट को इस और विशेष ध्यान देना चाहिए।

इसके बाद दो छोटी २ मांगें प्रांथ प्रदेश की तरफ से मैं और रखना चाहता हूँ। लोहे के कारखाने की स्थापना के बारे में मैंने पहले भी कहा है और उसको फिर दुहराने की जरूरत नहीं है लेकिन इतना मैं जरूर कहना चाहता हूँ कि लोहे का चीथा कारखाना अगर अभी खुलने वाला है तो उसके लिए दक्षिण में ही स्थान देना चाहिए।

दक्षिण में एक कारखाना खुलने की बहुत जरूरत है। अब कोई कहेगा कि यह कारखाना मैसूर में हो और कोई कहेगा कि आंध्र में कायम हो लेकिन मुझे इसमें कोई सरोकार नहीं है। वैसे मैं यह बतलाना चाहता हूँ कि इस सम्बन्ध में आंध्र गवर्नमेंट ने भी एक प्रयोज्य भेजा है कि यह लोहे का कारखाना राजमुंद्री में खोला जाय और बस्तर की आयरन और को काम में लाया जा सकता है और यह चीज भी मैं सरकार के सामने रखा चाहता हूँ...

उपाध्यक्ष महोदय : अब माननीय सदस्य खत्म करें।

श्री कोरटकर : दो कारखानों के लिए मैं और कहना चाहता हूँ...

उपाध्यक्ष महोदय : जो आपने कहे हैं पहले उनको तो लग जाने दीजिये बाद में दूसरों के लिये कहियेगा।

श्री कोरटकर : फाटलाइजर फैक्टरी की स्कीम बहुत दिनों से सरकार के सामने है और मैं चाहता हूँ कि रामागुंडम या मंगारानी में फाटलाइजर फैक्टरी खोला जाय। दूसरे विजिगापट्टम में डीजल मैगडन इंजन्स का कारखाना खोला जाय। केन्द्रीय सरकार के सामने खुद यह दोनों चीज हैं और मेरा निवेदन है कि उस सम्बन्ध में आवश्यक कार्रवाई शीघ्र की जाय।

इस मंत्रालय के जो खर्च के अनुदान रखे गये हैं उनको स्वीकार किया जाय और उन पर कोई कटमासन स्वीकार न किया जाय।

Shri Shankaraiya (Mysore): Mr. Deputy-Speaker, Sir we have started our Second Plan and the aim is a substantial development of the industries. By force of circumstances and by the policy adopted by the Government and approved by this House,

there have been developments of these industries in both the sectors—private and public. But it is a sad feature, that this development though accepted by this House and by the country as a whole has led to a good deal of criticism and hatred, and a tirade is being carried on by persons who are interested in big business that the public sector has deprived many of them of these industries. They criticise those industries taken over particularly by the public sector. Instead of mutual co-operation for development in the interest of the country, it is a sad feature to see that a regular tirade is being carried on against this public sector. Particularly the Mundhra incident has led to a good deal of criticism and big industrialists have formed into a forum known as Forum of Free Enterprise and are trying to carry on a regular campaign to see that the public sector is blackmailed and pulled down. I am not opposed to the private sector. I am not opposed to any help or assistance being given to the private sector.

The private sector has also to play a prominent part. Besides we have also accepted the policy that public sector has a greater part to play under the circumstances for the speedy development of the country's Industries. Instead of mutual co-operation, if this sort of a spirit is to be exercised by the private entrepreneurs, this House will have to seriously take the matter into consideration. Apart from this, I would not like to go into details of these cases, now, because it is a well-discussed and well-accepted policy.

In the meanwhile, this Mundhra incident has led to another kind of controversy, namely, the investment policy. There is also another controversy with regard to the administration of companies by the Company Law Administration. This Mundhra incident has also brought into Light the question of yet an undecided factor, namely, whether the Government is going to adopt backdoor nationalisation policy. All sorts of

[Shri Shankaraiya]

criticisms or protests have been made. In the light of these circumstances and in the interest of the development of our country, I would like to put before the Government a suggestion of mine. Besides the two, the private and the public sectors, a third intermediate or a *via media* kind of policy may be adopted, wherein the private sector and the Government could co-operate by contribution of shares in the capital. The Government have issued loans to many of the present industries, wherever such industries are there, and which have to be worked in the interest of the country and developed and nourished and progressed the private entrepreneur as well as the Government can share in the capital, wherein the entire management or administration may be left into the hands of the private sector itself, the Government may reserve the right of control. If there were to be any mismanagement or in order to prevent any of the abuses that are practised by the private sector, the Government may interfere and take over the management, or guide, to the best advantage. This is not a new feature that I am proposing. This kind of policy is being practised to the best interest by the Government of Mysore. This is a matter which has to be seriously considered by the Government. This will be a healthy feature if it is introduced into the industrial sector.

If I may give some instances, Mysore has been a pioneer in industries. It started several industries before any other State could do it. The method it adopted was that there were joint stock companies. The public were also asked to contribute. The private entrepreneurs who wanted to make a start and take to industries were also encouraged. The Government also put in its money in the share capital. Though the Government had the controlling interest of 51 per cent. in the shares the management was left entirely in the hands of private enterprise. Because the Government had its investment and interest in the development of those

industries it had its representatives in the Board of Directors. They could prevent any kind of abuse. The management was in the hands of private enterprise, the public also had interest in the running of the companies and the abuses were very little compared to the abuses that were there in the managing agencies system in other parts of the country. This kind of industrial policy is pursued in the Mysore State, where there has been even now good co-operation between the private entrepreneur and the Government. There was harmony in the best interest of the development of those industries. They worked well and they have been working well. To give one instance, the Hindustan Aircraft was started in a similar manner. The Mysore Sugar Company and the Mysore Paper Mills were also started in a similar manner. They have been working very well. I do not know why the Central Government should not accept this policy, or at least seriously consider it and see that the private entrepreneur and Government co-operate. The Central Government—wherever possible the State Governments may also be asked—should co-operate and work together. They should help the private entrepreneur and see that instead of merely taking industries into the public sector this sort of policy is also pursued. I would commend this to the serious consideration of the Minister.

An Hon. Member: They are having it.

Shri Shankaraiya: They are not having it in the Centre; only the Mysore Government is having it.

Now, Sir, on the floor of this House we had a discussion with regard to certain industries. With regard to TELCO Shri Feroze Gandhi revealed so many facts. Though it is a matter to be dealt with by the Railway Ministry as regards furnishing the cost of production of engines and running of it, the Central Government

have advanced heavy loans. The other day it was voiced by this house that it should be nationalised. It was complained that the loan that was given for the development of TELCO, particularly for the manufacture of Railway engines, was being utilised for the manufacture of trucks and sections of other industries. Now, the loan is there. Instead of withdrawing the loan, it can as well be converted into a share in the capital. The Government can become a shareholder. The management and administration by the private enterprise would be still there, but the industry could be run more profitably. The Government can invest the life insurance amount or any other amount to the best advantage. Because the Government representatives would be there they will be guarding the interests of the government as also of the factory, the development of the factory. They will see that there are no abuses either in respect of profits or any other means being practised.

Similarly, there are many other industries. For example, the Jessops have come into the picture. There are many such companies. I do not want to waste the time of the House by giving instances of the kind. They can as well be converted into co-operative enterprises or joint enterprises with the Government and the private sector, so that instead of their being misused, mismanaged or taken advantage of by the managing agencies they may be run in the best interests of the country. I will mention about the mismanagement that is prevalent in the big industries when the Company Law amendment comes in. I have hardly any time to mention them here. But I would like to place this matter for the serious consideration of the Minister and to see that this policy is pursued hereafter.

Then, Sir, I would like to refer to the Raw film Industry. We have been importing a good deal of raw film from outside by incurring a good deal of foreign exchange. It is a drain on the foreign exchange. The

film industry is being starved. The development has been very little. The Government are seriously considering this question and I hope they have already come to a decision to start one film industry in our country. In this matter the initiative was taken by the Mysore Government. They wanted to start the film industry at Krishnaraja Sagar. That was considered to be an ideal place for that industry. The Mysore Government carried on negotiations with several foreign firms. They came to an agreement with a French firm. The agreement was about to be entered into. Then the question of integration came in and the Central Government decided that they want to start the film industry. I understand that they have come to a decision and they are going to start it. Though the Mysore Government made all preliminary attempts and were about to enter into an arrangement, to see that the factory is located at a particular place, attempts are now being made to shift it to another place. The Mysore Government is anxious to invest some amount in it. The public of Mysore are also interested in having this industry established there. The Central Government can also play its part and see that the Mysore Government and the public of Mysore who are anxious to invest their money in this industry are given a fair chance by establishing this industry there. Apart from this I do not wish to say anything more about it. The Mysore Government had finalised the whole scheme and were about to enter into an agreement with the French firm. At that time it has been snatched away from them. I hope the Central Government will give Mysore its due share and see that the raw film industry is located at Mysore.

Shri Palaniyandy (Perambalur): What about the expert's opinion?

Shri Shankaraiya: It was only after taking the expert's opinion and finalising the financial commitments and other things that the Mysore Government were about to enter into an agreement with the French firm. The French firm was ready to help the

[Shri Shankaraiya]

Mysore Government. All terms and conditions were finalised and only the agreement had to be signed. It was at that time that the Central Government intervened and wanted to take up this industry themselves (*Interruption*). I could not hear the interruption.

Mr. Deputy-Speaker: The hon. Member should not allow himself to be dragged into it because what he has to say will then be left out.

Shri Shankaraiya: Sir, before I speak about the handloom industry I would like to say one or two words with regard to the Silk Board. The Silk Board has been there for the last 9 or 10 years but the activities have been taken up seriously only for the last five years. Formerly there was shortage of money and they could not do anything. Now money has been given in plenty by the Central Government, but the progress that has been made is not very satisfactory. So many reasons have been assigned for this. Even though the amount was there, they say that trained personnel were not there. But the fact is that even though there were trained people they were not being made use of. The second reason that has been assigned is that many of the States have not put into operation or implemented many of the schemes sanctioned by the Silk Board; even though amounts were allotted they could not implement the schemes. Therefore, in between the Central Government, the Silk Board and the State Governments the sericulturists have suffered very much. For a very long time it has been a protected industry. Mysore is the State where nearly 80 per cent of raw silk is being produced. There are also several other allied industries. Silk has got also a foreign market. Because of the non-development of this industry, many of the poor rearers and reelers have been suffering a good deal of loss. The foreign trade has also been affected. Now that heavy sum has been allotted for this industry, I request the Government to see that this money is utilised well and

all the schemes are implemented and the production of silk is not only improved in quality and in quantity but the other connected industries are also developed.

In this connection, I would like to mention that Mysore is the pioneer in this industry and nearly 80 to 90 per cent of this product is being produced in Mysore State. After a good deal of consideration, the Silk Board that was situated at Bombay was shifted to Bangalore, because at Bangalore they could concentrate on the industry and supervise the work, being the centre of the industry, and they could also see that many of these schemes are implemented. But now, I fear that, for no reason at all and merely because some Bombay merchants and other industrialists have urged for its being shifted to Bombay the Board is to be shifted to Bombay again. The location of the Silk Board at Bangalore seems to be inconveniencing, and does not happen to fit in with the I.C.S. officer. If that is shifted to Bombay, it is not justice done to the industry. The convenience or inconvenience to the officers to attend the meetings of the Board and all such things should not lead to the Board being shifted to Bombay. The industry and the Board should be located in a place where the farmers, the rearers and the reelers can take advantage of the office and make improvements, and come to the office for help in implementing the schemes. There is a research section; there is a training section, there are so many other factors which need to be developed at Mysore. Therefore, I request that the Silk Board should be maintained at Bangalore.

Before I close, I crave your indulgence to make one more point about the handloom industry. The handloom industry has been given a good deal of impetus and development. It has proved its worth, and it has been doing good work also. But, it is unfortunate and I wish to tell Government that the expected results

have not been achieved, because of the lack of incentive, lack of drive by the Board. Merely because the Handloom Week is observed and an impetus is given, things cannot improve, and the way in which the Handloom Board is working is not satisfactory. Many of the weavers have not yet come into the co-operative fold in spite of efforts. The reasons should be brought out as to why they have not been able to come to the co-operative fold in spite of all the steps taken to get them into that fold. I would request the Government to go into that aspect.

There was the central marketing society which was started only four years back. Within the course of two or three years, it has incurred a loss of Rs. 3 lakhs to Rs. 4 lakhs. It is meant to give assistance to the weavers in case of foreign and inland trade, but the link between the marketing society and the other societies has not been properly established and the society has been running on a loss.

Mr. Deputy-Speaker: The hon. Member's time is up.

Shri Shankaraiya: One more word with your indulgence.

Mr. Deputy-Speaker: Even after the reference to the handloom industry?

Shri Shankaraiya: It is in respect of the handloom industry alone, Sir; particularly in my State, this industry has not developed properly. I wish to bring to the kind notice of the hon. Minister that out of the cess fund allotted for the development of the handloom industry some other work is being made. This fund has been diverted to other processes. It is in this way. People have been taken, under the Mill Cess Fund, and they have been asked to work in different departments. In the rural industries sector, when the amount is given to the relief of the weavers, and when the weavers' work itself is suffering

owing to the lack of funds and proper personnel, if some people are drawn in and asked to work in different fields or in different departments, will it not be a misapplication of this Fund?

Mr. Deputy-Speaker: One word should not be spun out so long.

Shri Shankaraiya: I have brought to the notice of the State Government many of the difficulties that have been found in the industry in Mysore State, and I hope the Central Government will also look into them and rectify them as early as possible.

Mr. Deputy-Speaker: There are 148 cut motions. The following are the selected cut motions relating to various Demands under the Ministry of Commerce and Industry which will be treated as having been moved, provided they are otherwise in order. A list indicating the numbers of selected cut motions will be put on the Notice Board and will also be circulated to Members tonight for their information.

<i>Demands Nos.</i>	<i>Nos. of cut motions</i>
1	123, 156 to 158, 479; 179 to 183, 205, 206, 216, 249, 250, 272, 273, 305 to 312, 320 to 327, 337, 430, 481.
2	125, 159 to 162; 43 to 48, 75 to 78, 81 to 86, 128 to 130, 184 to 187, 207 to 213, 218 to 230, 251 to 266, 274 to 284, 294 to 299, 315, 316, 328 to 335, 338 to 343.
4	346
5	214, 267 to 271, 285 to 288, 318, 319, 336.
106	348

Policy regarding nationalised business corporations under the administration of the Ministry.

Shri T. K. Chaudhuri (Berhampore): Sir, I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced to Re. 1."

Need for securing balanced regional development of industries

Shri D. R. Chavan (Karad): Sir, I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced to Re. 1."

Aspect of inequalities resulting from regional disparities in industrial development

Shri D. R. Chavan: Sir, I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced to Re. 1."

Failure of the Government to develop a rational and balanced export policy

Shri Jagdish Awasthi (Bilhaur): Sir, I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced to Re. 1."

Policy of issuing Import licences

Shri Naushir Bharucha (East Khandesh): Sir, I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced to Re. 1."

Problems of textile industry

Shri D. R. Chavan: Sir, I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Problems of jute industry

Shri D. R. Chavan: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to start fertilizer factory in proximity of Koyana Project in the district of Satara, Bombay State

Shri D. R. Chavan: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to start aluminium factory in district of Kolhapur, Bombay State

Shri D. R. Chavan: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to grant import licences to certain Sugar Factories in Maharashtra and Gujarat

Shri D. R. Chavan: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to allow export of groundnut oil and other vegetable oils for earning valuable foreign exchange

Shri Tangamani (Madurai): Sir, I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to cancel unused licences for import of textile machinery

Shri Tangamani: Sir, I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Necessity of reducing the wide disparity in the scales of pay and allowance of the officers and those of other ranks in the Secretariat and other Departments

Shri B. Das Gupta (Purulia): I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Policy in regard to the export of vegetable oils and oil cakes

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Policy in regard to sending of teams abroad for the promotion of trade

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to ensure supplies of Indian tea at fair prices to Indian consumers

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to prevent the monopolistic hold of a few concerns in tea auctions at Calcutta and Cochin

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Working of the Office of the Chief Controller of Imports and Exports and Offices subordinate to it

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to pursue a sound policy in regard to the import of consumer goods

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Malpractices in the use of actual users' import licences and ad hoc licences

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to prevent the abuse of the user's licences for import

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Unrealistic clubbing together of several items ranging in value from Rs. 5 to over Rs. 5 lakhs in the same serial number in the Red Book

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to assign the reasons in rejecting the applications of genuine parties for import of essential articles

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to take adequate steps to prevent the trading in import licences

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to prevent delays in the matter of issuing import licences for essential articles and in the disposal of appeals

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Policy in regard to the implementation of trade agreements between India and other countries

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Policy in respect of the manufacture of automobiles

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to institute an enquiry into the issue of import licences in the past to find out the results of past policies, leading to the current foreign exchange difficulties

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to keep company-wise lists of import and export licences issued

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to increase the volume of trade of the State Trading Corporation in respect of exports and imports in which private sector has a monopolistic grip

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to negotiate the required volume of barter trade to reduce the difficulty of foreign exchange

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to develop the export of ores through Cochin Port

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to negotiate for capital machinery from U.K., U.S.A. and Japan on barter basis for the ores supplied

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Need for abolishing monopoly of trade in bidi leaves prevalent in Orissa

Shri P. K. Deo (Kalahandi):, I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to check closure of Textile Mills

Shri Naushir Bharucha: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to prescribe effective procedure for inquiry into working or closure of industrial concerns, under the Industries (Development and Regulation) Act

Shri Naushir Bharucha: I beg to move:

"That the Demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Policy regarding cotton textile development

Shri Ghosal: I beg to move:

"That the Demand under the head 'Industries' be reduced to Re. 1."

Hurried and heavy industrialisation of India minimising the potentiality of the small industries in the economic life of the rural population.

Shri B. Das Gupta: I beg to move:

"That the Demand under the head 'Industries' be reduced to Re. 1."

Failure of the Government to make adequate provisions for small scale industries.

Shri Jagdish Awasthi: I beg to move:

"That the Demand under the head 'Industries' be reduced to Re. 1."

Failure of the Government to make adequate provisions for the development of rural industries.

Shri Jagdish Awasthi: I beg to move:

"That the Demand under the head 'Industries' be reduced to Re. 1."

Failure of the Government to develop the tea industry and the export of tea in a rational manner.

Shri Jagdish Awasthi: I beg to move:

"That the Demand under the head 'Industries' be reduced to Re. 1."

Failure to check closure of textile mills.

Shri S. M. Banerjee (Kanpur): I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to check closure of jute mills.

Shri S. M. Banerjee: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Expansion of Handloom Industry in Uttar Pradesh

Shri S. M. Banerjee: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Establishment of more small industrial units in Eastern Districts of Uttar Pradesh.

Shri S. M. Banerjee: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to export shoes to Soviet Union and Poland.

Shri S. M. Banerjee: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to pay rebate to Weavers' Co-operative Societies in time in Uttar Pradesh.

Shri S. M. Banerjee: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to develop cottage industries in West Bengal.

Shri Ghosal: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to develop Small Scale Industries in the district of Howrah by arranging to supply them power from the Damodar Valley Project.

Shri Ghosal: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to develop silk industry in West Bengal.

Shri Ghosal: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to develop the handloom industry in West Bengal.

Shri Ghosal: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to stop the closure of Cotton Textile Mills of West Bengal.

Shri Ghosal: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to stop the closure of Jute Textile Mills of West Bengal.

Shri Ghosal: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to control tea business of West Bengal.

Shri Ghosal: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to promote drug production scheme of Durgapur.

Shri Ghosal: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to utilize lime-stones of Purulia for manufacturing cement.

Shri Ghosal: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Black-marketing of cement in West Bengal.

Shri Ghosal: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Working of State Trading Corporation.

Shri Ghosal: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Working of Cotton Textile Promotion Council.

Shri Ghosal: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Working of National Industrial Development Corporation.

Shri Ghosal: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to develop cottage industries in Marathi region of the Bombay State.

Shri D. R. Chavan: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to develop handloom industries in Maharashtra.

Shri D. R. Chavan: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to develop small scale industries in district of Satara North and South and Kolhapur and Ratnagiri

Shri D. R. Chavan: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to stop the closure of cotton textile mills in Maharashtra.

Shri D. R. Chavan: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to prevent partial closure of the power loom factory at Virudhunagar, Madras State.

Shri Tangamani: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Inadequate grants for development of handloom industry.

Shri Tangamani: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to restore the cut in the rebate on Handloom cloth.

Shri Tangamani: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Large sum allotted to Ambar Charka under grants to All India Khadi and Village Industries Commission.

Shri Tangamani: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to reduce the production of matches in factories run by power so as to help development of cottage industry.

Shri Tangamani: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to protect B.C.D. class match factories by extending concessions to them.

Shri Tangamani: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to prevent closures of Textile mills.

Shri Tangamani: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to develop the cutlery and carpenters tools industries in the district of Purulia on Cottage and Small Scale basis.

Shri B. Das Gupta: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to provide adequate measures for developing the lac Industry in the Purulia district of West Bengal.

Shri B. Das Gupta: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to develop the existing tassar Industry in the district of Purulia.

Shri B. Das Gupta: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to develop and protect the existing small-scale glass industry in Calcutta.

Shri B. Das Gupta: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to make a thorough and comprehensive survey of small-scale, cottage and village industries in India.

Shri B. Das Gupta: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to provide easy loans for the artisans of small-scale industries

Shri B. Das Gupta: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to organise the marketing of the small-scale industries production

Shri B. Das Gupta: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to provide easy and cheaper transport facilities for small-scale industries production

Shri B. Das Gupta: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to organise the 'Small-Scale Industries Corporation' on a decentralised basis for proper development of small-scale industries

Shri B. Das Gupta: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Shifting of Central Sericulture Institute from Behrampur, Murshidabad, West Bengal

Shri B. Das Gupta: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to establish district units of 'Khadi and Village Industries Commission' for adequate development of Khadi industry and Ambar Char-kha'

Shri B. Das Gupta: I beg to move.

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Closing of Coffee Houses in Calcutta

Shri B. Das Gupta: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Need for establishing a cement factory in the district of Purulia, West Bengal

Shri B. Das Gupta: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to provide adequate relief to the retrenched workers of the India Coffee House

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Policy in respect of closing down of India Coffee House

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to prevent the growth of monopolies in the Chemical industries.

Shri V. P. Nayar: I beg to move.

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to ensure the cheapest possible prices of yarn required by the handloom industry

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Hardships of the small units in textile production especially by the proposed excise duties on such units products

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to prevent the malpractices of the private sector in the observance of standards set up by the Indian Standards Institute

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Collaboration and financing of the Indian Standard Institution by representatives of private industry

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure in enforcing the keeping of the best standards in products

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Influence of private sector in setting up of the standards of the Indian Standards Institute

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Necessity to make the Indian Standards Institute a completely government-owned concern in view of experiences of its functioning

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Necessity to have tests of quality in terms of standards presented by the Indian Standards Institute in government-owned laboratories and test houses

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to develop industries to produce basic materials from indigenous resources

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to develop industrial uses of cashew shell oil in India

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to prevent foreign monopolies participating in capital and consumer goods manufacture

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Policy in respect of Chemical Industry

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Working of Indian Standards Institution.

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to provide adequate relief to coir industry

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to improve economic condition of workers who produce hand-spun coir yarn

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to step up exports of coir mats and mattings

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to conduct proper research to reduce retting time required for coconut husks, in the use of coir making

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to give preference to coir mats and mattings for floor furnishing in Government of India's buildings

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Need to declare coconut husk as an essential commodity under appropriate law.

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to start a rubber factory in the public sector in the rubber producing belt to reduce the monopoly of foreign concerns in the rubber goods industry

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Favour shown to a company in giving permission to start a rubber factory in Bombay State in partnership with an Italian firm

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to ensure that the new factories licensed for the manufacture of tyres etc., are located in the rubber producing belt of India

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Excessive profits of the foreign companies in the manufacture of rubber goods

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to organise research for the conversion of coir dust, left after the extraction of fibre, into useful products

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Regional disparity in development of industries

Shri P. K. Deo: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Need for availability of cheap hydro-electric power in Kalahandi Phulbani and Bolangir districts of Orissa for development of small scale industries

Shri P. K. Deo: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Need for starting of an aluminium plant in Dandakaranya area to utilise the vast bauxite deposits in Kalahandi and Koraput hills

Shri P. K. Deo: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Delay in starting the paper mill at Kesinga in Kalahandi District

Shri P. K. Deo: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Prospects of another paper mill at Malkangiri to utilise the vast bamboo forest of Koraput District

Shri P. K. Deo: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Delay in starting a cement factory in Sambalpur District to utilise the vast lime stone deposits of that area

Shri P. K. Deo: I beg to move.

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure in preventing the growth of monopolies in the Cement Industry and the manufacture of Hume Pipes

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Plight of medium and small sized Match factories in face of competition from giant undertakings of the WIMCOS

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure in checking the manipulation of prices of industrial products

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Necessity to institute a Commission to assess the value of the working of the Tariff Commission

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Position of cycle manufacturing industry

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to encourage the manufacture of products from spices like pepper, cardamom, turmeric, ginger etc., and essential oils like lemon grass oil

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to start the manufacture of vitamins from the lemon grass oil and cashew apples

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to start industries for the manufacture of industrial requirements from mineral sands of Kerala

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to take effective steps for the proper location and distribution of new industrial units on the basis of the recommendations of the States Reorganisation Commission

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure to utilise spices like ginger for the extraction of tinctures, derivatives, etc.

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Need for starting a sugar factory at Junagarh in Kalahandi district

Shri P. K. Deo: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Need for starting tea and coffee plantation on the hills of Kalahandi and Koraput district, Dandakaranya area

Shri P. K. Deo: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Need for setting up of an Industrial Estate at Kesinga or Titilagarh in Orissa

Shri P. K. Deo: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Need for improvement in the handloom industry in Orissa

Shri P. K. Deo: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Nationalisation of paper industry in Orissa

Shri P. K. Deo: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Failure in giving adequate help for the manufacture of Oriya typewriter

Shri P. K. Deo: I beg to move:

"That the Demand under the head 'Industries' be reduced by Rs. 100."

Black-marketing in cement in the country

Shri P. K. Deo: I beg to move:

"That the Demand under the head 'Commercial Intelligence and Statistics' be reduced by Rs. 100."

Failure to appoint "Controllers" for managing companies like Jessops and Co., and other concerns of Mundhras

Shri Tangamani: I beg to move:

"That the Demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure in checking the avoidance of the provisions of Company Law, by private and public limited companies

Shri V. P. Nayar: I beg to move:

"That the demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry' be reduced by Rs. 100."

Necessity to amend the Company Law to ensure real control of companies to prevent them from defrauding their shareholders, the consumers and the Government

Shri V. P. Nayar: I beg to move:

"That the demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry' be reduced by Rs. 100."

Necessity to change the system of keeping the accounts of our foreign trade

Shri V. P. Nayar: I beg to move:

"That the Demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry' be reduced by Rs. 100."

Lack of prospective planning of our foreign trade

Shri V. P. Nayar: I beg to move:

"That the demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure in adequately diversifying foreign trade

Shri V. P. Nayar: I beg to move:

"That the demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to expand the market for coir and coir products in foreign countries.

Shri V. P. Nayar: I beg to move:

"That the demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to take proper steps to increase the export of coir to countries which do not take much coir products at present

Shri V. P. Nayar: I beg to move:

"That the demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to take over the export of Indian tea, to the extent necessary to prevent the existing monopolies controlling tea export

Shri V. P. Nayar: I beg to move:

"That the demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to increase the tea export to countries where tea is now sold at high profits by re-export from U.K.

Shri V. P. Nayar: I beg to move:

"That the demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to prevent under invoicing by exporters who have their own organisations in foreign countries

Shri V. P. Nayar: I beg to move:

"That the demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry' be reduced by Rs. 100."

Over-invoicing of subsidiaries of foreign firms for supplies from parent organisations abroad.

Shri V. P. Nayar: I beg to move:

"That the demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to negotiate with other pepper producing countries for stabilising the prices of pepper

Shri V. P. Nayar: I beg to move:

"That the demand under the head 'Miscellaneous Department and Expenditure under the Ministry of Commerce and Industry' be reduced by Rs. 100."

Necessity of starting the second shipyard at Paradip on the Orissa Coast.

Shri P. K. Deo: I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Commerce and Industry' be reduced by Rs. 100."

Mr. Deputy-Speaker: These cut motions are now before the House.

श्री जगदीश ब्रह्मचारी : उपाध्यक्ष महोदय, काफी देर में वाणिज्य और उद्योग मंत्रालय के अनुदानों के सम्बन्ध में चर्चा हो रही है। इसमें पहले कि हम अनुदानों के सम्बन्ध में विचार करें, यह आवश्यक है कि वाणिज्य और उद्योग मंत्रालय की जो औद्योगिक नीति है उस पर थोड़ा सा विचार कर लें। हमारे देश में मुख्य रूप से कृषि का धंधा है। यदि हम औद्योगिक दृष्टि से देखें तो हम अपने देश का औद्योगिक निर्माण इसी धन्धे से करते हैं। अगर हम दृष्टिपात करें तो हमारा देश कृषि के क्षेत्र में और अन्य औद्योगिक क्षेत्रों में बहुत कुछ पिछड़ा हुआ है। यद्यपि हमें स्वतंत्र हुए दस वर्ष हो गये हैं लेकिन हम इतना कहने का साहस नहीं कर सकते कि कृषि के क्षेत्र में और औद्योगिक क्षेत्र में देश आत्म-निर्भर हो चुका है। आज वाणिज्य और उद्योग मंत्रालय की जो औद्योगिक नीति है उसको हम एक ही वाक्य में कह सकते हैं कि 'उसकी मंशा केवल देश के बड़े बड़े शहरों में बड़े बड़े कारखाने, ऊँचे पैमाने पर काम करने की है। लेकिन मैं कहना चाहूँगा कि इस देश में, जो कि इतना विशाल देश है

और जहाँ पर बहुत सी समस्याएँ हैं, केवल कुछ शहरों में ही बड़े पैमाने पर बड़ी बड़ी मिलें हम खोल दें तो उससे देश का निर्माण नहीं हो सकता। जब तक इस बात को दृष्टि में न रखेंगे कि हमारे देश में जो सात लाख गांव हैं, उन गांवों में भी औद्योगिकरण का प्रसार हो, तब तक इस देश का सम्पूर्ण निर्माण होना असम्भव है। आज धर्मों में सरकारी औद्योगिक नीति का कोई इस प्रकार का असर नहीं हो रहा है जिससे गांवों में जो लोग खेती करते हैं, उनको दूसरे धन्धों में ले जाया जा सके। और उनको और काम मिल सके; जिनसे कि बेकारी खत्म हो सके और उनकी जेबों में कुछ पैसा आ सके। मैं चाहूँगा कि आज वाणिज्य और उद्योग मंत्रालय इस देश में ऐसी नीति अपनाये जिनसे कि गांवों में भी औद्योगिकरण और छोटे छोटे धन्धों के प्रसारण की शक्ति आ जाय।

आज देश के अन्दर जनसंख्या इतनी अधिक बढ़ी हुई है कि हम उसका ठीक दिशा में प्रयोग नहीं कर पा रहे हैं। मैं चाहूँगा कि वाणिज्य मंत्रालय इस ओर ध्यान दे कि उद्योग केवल धन से ही नहीं चलते हैं। जब तक हम उद्योग में धर्म को नहीं लायेंगे, जब तक उसका मिश्रण उद्योगों के साथ नहीं लींगे तब तक देश में कोई उद्योग धन्धे नहीं चल सकते हैं। आज आवश्यकता इस बात की है कि गांवों में जो शिल्पकार हैं, जो किसान हैं, जो इस देश में काम करने वाले आदमी हैं उनको धन्धों में लगा कर इस बात का विश्वास दिलाया जाय कि देश का जो निर्माण हो रहा है, जो कुछ उम में नांग कर रहे हैं, उनसे अतिरिक्त दूसरे कामों को कर भी वे कुछ पैदा कर सकते हैं और उससे कुछ और लोगों को रोजगार और रोजी का काम मिल सकता है।

इससे पश्चात् इस देश का जो मुख्य उद्योग है, सूती वस्त्र उद्योग, उससे सम्बन्ध

में मैं कुछ निवेदन करना चाहूंगा। विगत दस वर्षों से सूती वस्त्र उद्योग का जो धन्धा है वह प्राइवेट सेक्टर के या जो देश के बड़े बड़े उद्योगपति हैं उनमें हाथों में रहा है। आज वस्त्र उद्योग में कितनी ही समस्याएँ उत्पन्न हो गई हैं। अगर आप ध्यान से देखें तो कुछ में मजदूरों की छंटनी हो रही है, कहीं प्ले आफ हो रहे हैं, कहीं रिट्रैक्टमेंट हो रहा है, कहीं क्लोजर हो रहा है और इस सब का परिणाम एक ही हो रहा है कि आज इस औद्योगिक क्षेत्र में बेकारी बढ़ती जा रही है। दूसरी तरफ जो हमारे देश के उद्योगपति हैं वे एक नारा लगाते हैं, हर दूसरे तीसरे साल आवाज उठाते हैं कि स्टाक बहुत हो गया है, बाजार में हमारे माल की खपत नहीं हो रही है, हम अपनी मिल को क्लोज करना चाहते हैं। इतना ही नहीं, एक तरफ यह नारा लगा कर बनावटी शोर मचाते हैं और दूसरी तरफ कहते हैं कि माल इतना बढ़ गया है कि हम देश से उसका निर्यात करना चाहते हैं। यह सरकार भी इस बनावटी शोर में आ जाती है। एक तरफ क्लोजर हो रहे हैं, बेकारी बढ़ती जा रही है, दूसरी तरफ सरकारी आंकड़ों से सिद्ध होता है कि जहां हमारी दूसरी चीजों का निर्यात बढ़ा है वहां कपड़े का भी निर्यात बढ़ा है और वे लोग निर्यात लाइसेंस ले कर अधिकाधिक मुनाफा कमाने हैं। मैं चाहूंगा कि इस सम्बन्ध में विचार किया जाय कि आखिरकार उद्योगपति झूठे क्लोजर का बहाना ले कर, स्टाक बढ़ने का बहाना ले कर, जो समस्या पैदा कर रहे हैं वह कहां तक ठीक है। मैं इस सम्बन्ध में एक उदाहरण देना चाहूंगा। हमारे उत्तर भारत का सब से बड़ा औद्योगिक नगर कानपुर है। वहां सूती वस्त्र उद्योग की कई मिलें हैं। मूंदड़ा साहब, जिन के सम्बन्ध में सदन में और सदन के बाहर भी बहुत चर्चा हुई और आज भी हो रही है, हमारे नगर में जहां और उद्योगपति हैं, वह भी एक उद्योगपति बन गये। एक वर्ष पहले वहां जो सब से बड़ा

कंसन ब्रिटिश इंडिया कारपोरेशन का था, उन्होंने उसको हथियाया और उसके बाद उसके कोष से धन निकाल कर दूसरी जगह ले गये। परिणाम यह हुआ कि जो ब्रिटिश इंडिया कारपोरेशन के प्रतिष्ठान थे, उन के संचालन में गड़बड़ी हुई जो कि स्वाभाविक ही थी। आज कानपुर में ब्रिटिश इंडिया कारपोरेशन का एक प्रतिष्ठान जो कानपुर काटन मिल्स है, वह मूंदड़ा साहब के इस प्रकार के कामों से बन्द हो गया जिससे वहां बेकारी बढ़ी हुई है। कई बार सदन में इसकी ओर ध्यान आकर्षित किया गया, लेकिन इस पर ध्यान नहीं दिया जाता है, और अब जब कि मूंदड़ा साहब ने ब्रिटिश इंडिया कारपोरेशन के प्रतिष्ठानों की आर्थिक स्थिति को नष्ट कर दिया अपने स्वार्थों के लिये, उसकी छानबीन हो रही है। इस समय सरकार की आंख खुली है किन्तु जब इतना सब हो रहा था उस पर कोई ध्यान नहीं दिया गया। जिस प्रकार सरकार ने अब उनके कुछ प्रतिष्ठानों की जांच करने के सम्बन्ध में एक कमेटी बनाने का निश्चय किया है, मैं वाग्विजय और उद्योग मंत्रालय से यह प्रार्थना करूंगा, मांग करूंगा कि कानपुर में जितने भी ० आर्डी० सी० के कंसन हैं, जिनमें मूंदड़ा साहब का हाथ है तथा जिनमें गड़बड़ी पैदा हो गई है जिससे कि वे चल नहीं सकते, उनमें छंटनी होगी, बेकारी होगी और औद्योगिक क्षेत्र में अशान्ति पैदा हो रही है, उनकी जांच की जाय। मैं तो कहता हूँ कि सरकार उन प्रतिष्ठानों को अपने हाथ में ले कर संचालित करे। एक तरफ सरकार की ओर से कहा जाता है कि अगर हम इन प्रतिष्ठानों को लेंगे तो हमें मुनाफा नहीं हो सकता है। मंत्री जी को यह भीलूम होगा कि कानपुर में एक म्योर मिल है जिसमें कई उद्योगपतियों का हाथ है। वह मिल बन्द हो गया, बड़ी परेशानी पैदा हो गई और अन्त में उस मिल में हड़तालें हुईं, सब चीजें हुई और अब वह मिल एक उद्योगपति के हाथ में आई है। मुझे मालूम हुआ है कि

[श्री जगदीश धवस्पी]

फरवरी के महीने में उसकी जो बैलेंस शीट बनी है उसमें मुनाफा होना शुरू हो गया है। आज सरकार को भय हो गया है कि उसमें मुनाफा नहीं होगा? मैं एक उदाहरण देना चाहता हूँ। हमारे मंत्री जी कानपुर पघारे थे तो उन्होंने शंका प्रकट की थी कि कानपुर की प्योर मिल अगर ले ली जायेगी तो वह चल नहीं सकती। लेकिन आज उसमें मुनाफा शुरू हो गया है। मैं चाहूँगा कि इसी प्रकार के बी० आई० सी० के जो कंसर्न मूंदड़ा साहब के हाथ में हैं, जिनके कारण खतरा उत्पन्न हो गया है, अगर आप चाहते हैं कि देश का औद्योगीकरण हो, तो उनको अपने हाथ में लीजिये।

16 hrs.

इसके पश्चात् इस देश में जो भारत सरकार की निर्यात नीति है उसके सम्बन्ध में मैं कुछ कहना चाहूँगा। हमारे देश से जिन वस्तुओं का निर्यात हो रहा है, उन में से चाय, मँगनीज और जूट मुख्य हैं। इस बारे में सदन में दो रायें नहीं हैं कि अगर हम इन चीजों पर अपने को कंसेंट्रेट करें तो निश्चित रूप से हम इनका इतना निर्यात कर सकते हैं कि जिससे विदेशी मुद्रा का, विदेशी विनिमय का भ्रजन करके देश का निर्माण कर सकते हैं। मैं उदाहरण के लिये केवल चाय के उद्योग को लेता हूँ। चाय के सम्बन्ध में यहां बहुत चर्चा की गई। आप देखेंगे कि सन् १९१३ से सन् १९४७ देश के अन्दर चाय की आन्तरिक खपत और निर्यात मिला कर २१ गुना बढ़ी है। सन् १९४७ से अब तक हम इस पर बहुत रुपया खर्च कर रहे हैं, हमने टी बोर्ड भी बना रखा है जो कि उसका इन्तिजाम करता है, और भी बहुत सी चीजें करता है। इयूटी भी दो रुपये से चार रुपये कर दी है। इतना सब करने के बाद भी उतना निर्यात नहीं बढ़ा है।

हमारे देश की चाय की विदेशों में बहुत मांग और इज्जत रही है। लेकिन अब हमारी चाय की विदेशों में मांग कम होती जा रही

है। सीलोन हमारे देश के मुकाबले एक बहुत छोटा देश है। यदि आप सीलोन और भारत के चाय के निर्यात के बिगत पांच छः सालों के आंकड़ों की तुलना करते तो आपकाे मालूम हो जायेगा कि सीलोन की निर्यात नीति में कितनी स्थिरता आ गई है लेकिन जो हमारा चाय का निर्यात हो रहा है उसमें अस्थिरता आयी है। आप देखें कि भारत से सन् १९५१ में ४५४ मिलियन पाउंड चाय निर्यात हुई है, सन् १९५२ में ४१४ मिलियन पाउंड निर्यात हुई, सन् १९५३ में ५०० मिलियन पाउंड चाय निर्यात हुई सन् १९५४ में ४४९ मिलियन पाउंड चाय निर्यात हुई और सन् १९५५ में ३६३ मिलियन पाउंड चाय का हमारे देश से निर्यात हुआ। सन् १९५६-५७ में जो हमारे यहां से चाय का निर्यात हुआ है उसके बारे में स्वयं मंत्री जी ने निर्यात सलाहकार समिति की बैठक में भाषण करते हुये कहा कि सन् १९५६ में हमने जितनी चाय निर्यात की थी, सन् १९५७ में यद्यपि आंकड़े उपलब्ध नहीं हैं उतनी चाय निर्यात नहीं हुई। इसका मतलब यह है कि जो सन् १९५६ में निर्यात हुआ था उससे सन् १९५७ में कम रहा। दूसरी तरफ आप सीलोन को लीजिये। वहां पर सन् १९५१ में ३०५ मिलियन पाउंड चाय का निर्यात हुआ, सन् १९५२ में ३१४ मिलियन पाउंड का निर्यात हुआ, सन् १९५३ में ३३५ मिलियन पाउंड का निर्यात हुआ, सन् १९५४ में ३५६ मिलियन पाउंड चाय का निर्यात हुआ और सन् १९५५ में ३५७ मिलियन पाउंड चाय का निर्यात किया गया। इन आंकड़ों को देखने से मालूम होता है कि सीलोन असे छोटे देश का चाय का निर्यात स्थिर गति से बढ़ता जा रहा है। हमारे देश में चाय के निर्यात की, जो कि सब से ज्यादा विदेशी मुद्रा कमाता है, स्थिति गम्भीर है।

मैं मंत्री जी के एक वाक्य को यहां पढ़े देता हूँ जो उन्होंने निर्यात सलाहकार परिषद्

की बैठक में कहा था। "चाय के द्वारा हम अब भी अपना बहुत अधिक विदेशी विनिमय कमा रहे हैं। सन् १९५६ में १४३ करोड़ रुपये कमाये, सन् १९५७ में काफी कम रुपये मिलने की आशा है। इसका कारण यह है कि विदेशी बाजारों में चाय के मूल्य गिरे हैं और दूसरा यह कि परिमाण में भी चाय का कम निर्यात हुआ है।" मंत्री जी के ये शब्द इस बात के द्योतक हैं कि विदेशी बाजारों में हमारे निर्यात का परिमाण भी कम हुआ है। इसके कारण की खोज करना चाहिये कि ऐसा क्यों हो रहा है। आज हमने इसके लिये टी बोर्ड भी स्थापित किया हुआ है। उसके ऊपर इतना रुपया खर्च कर रहे हैं। वह क्या काम कर रहा है। ये चीजें क्यों हो रही हैं। मुझे मालूम हुआ है कि जब से यह टी बोर्ड अस्तित्व में आया है इसकी प्रान्तरिक कार्यप्रणाली संतोषजनक नहीं रही है। आप उसके प्रचार विभाग को देखें, विज्ञापन विभाग को देखें, किसी विभाग को देखें उसका काम असंतोषजनक रहा है, ठीक काम नहीं हो रहा है। वह समय पर फोर्गर्स भी नहीं दे पा रहा है जैसा कि मंत्री जी ने खुद कहा है कि सन् १९५७ के निर्यात के आंकड़े हमारे पास नहीं हैं। उसने आज तक वे आंकड़े ही नहीं दिये हैं। इन चीजों को देखना पड़ेगा। मैं समझता हूँ कि अगर हम चाय पर ही कंसंट्रेंट करें तो हम बहुत विदेशी मुद्रा कमा सकते हैं।

आज देश के ६५ प्रतिशत चाय बागान विदेशियों के हाथों में हैं। उनसे जितना भी मुनाफा होता है वह विदेशों में जाता है। इस तरह से हमारे देश का बहुत सा धन विदेशों को चला जा रहा है। क्यों नहीं उद्योग मंत्रालय इस बात को देखता और चाय के उद्योग का राष्ट्रीयकरण करता। हमारे देश का धन हमारे देश में रहना चाहिये।

प्राक्सिर में, ज्यादा न कहते हुये, मैं एक बात की ओर ध्यान आकर्षित करना चाहता

हूँ। हमारे मंत्री जी ने निर्यात सलाहकार समिति की बैठक में कहा था कि हम इतनी चीजों का आयात कर रहे हैं और यह स्थिति देश के लिये बड़ी खतरनाक है। उन्होंने कहा कि जिन चीजों का हम देश में आयात करते हैं उनका देश में निर्माण होना चाहिये। निर्माण के सम्बन्ध में मंत्री जी ने एक सुझाव दिया है। वह मैं इस सदन के सामने पेश करना चाहता हूँ। मंत्री जी ने कहा कि "इसके अलावा सरकार ने भारतीय औद्योगिकों को विदेशी सहयोग प्राप्त करने के लिये प्रोत्साहित किया है जो अपने साथ प्राविंरिठ ङंग की बहुत सुविधायें ला सकते हैं"। मंत्री जी ने इस देश के उद्योगपतियों का प्रोत्साहन दिया है कि अगर हम देश का औद्योगीकरण करना चाहते हैं तो हमें विदेशियों को यहां बुला कर उनके सहयोग से यह काम करना चाहिये। मैं समझता हूँ कि यह बहुत खतरनाक खेल खेला जा रहा है। आज हम राजनीतिक स्वतंत्रता के वातावरण में सांस ले रहे हैं। लेकिन इतिहास बतलाता है कि संसार के जितने भी उद्योगपति हैं उनका कोई देश नहीं होता। उनका एक ही धर्म होता है। चाहे देशों की सरकारें लड़ जायें लेकिन वे कभी आपस में नहीं लड़ते। उनका यही धर्म होता है कि अधिक से अधिक मुनाफा कमाना और शोषण करना। हम यों ही विदेशों से कर्ज लेते जा रहे हैं। उस पर भी जो इस प्रकार का प्रोत्साहन हम भारतीय उद्योगपतियों को दे रहे हैं यह बहुत खतरनाक खेल खेला जा रहा है। इस पर सदन को विचार करना होगा। मेरी अपनी निश्चित राय है कि हम जो भी निर्माण का काम करें वह अपने साधनों से ही करें चाहे ऐसा करने में हमारी प्रगति धीमी क्यों न हो। हमको विदेशों का अश्रित नहीं होना चाहिये। हम राजनीतिक स्वतंत्रता में रह रहे हैं लेकिन हम आर्थिक दाम्ता की ओर बढ़ते जा रहे हैं।

Shri Gajendra Prasad Sinha
(Palamau): Mr. Deputy-Speaker, Sir,

[Shri Gajendra Prasad Sinha]

some criticism has been levelled against the Commerce Ministry and it is said that the unwise policy of the Commerce Ministry has been responsible for the bad foreign exchange position. Though this criticism has been levelled, no specific instance was cited, except about the import of some German silver plates. No figure has been produced by our hon. friends from the Opposition to show that the import policy adopted by the Government has been responsible for this situation. As a matter of fact, after all what was the alternative before the Government? In a developing economy, in a planned economy, we have seen that not only today even Russia had to face this difficulty—the difficulty of shortage of foreign exchange—and for the development of Soviet industry they had to look for German help not only in the shape of technicians but financial aid also they had to accept.

Today when we see the development of China, we know that most of the development projects in China are being financed by Russia and other allied countries and plenty of technicians are working there. Then, what was the alternative before the Government? Was it possible for Government to reduce the import of producer goods or to curtail the import of machinery? This was never advisable when the position today is that more than 80% of our imports is of producer goods machinery. There may be certain further scope for the curtailment of imports but the policy adopted by Government cannot be said to be improper. It is very fortunate that our friends in Opposition, who used to criticise the foreign financial or technical aid, are now no more vehement as they used to be and one of our friends from the Opposition has already said that even China today has to accept foreign aid from the Soviet allied countries.

If today our foreign exchange position has improved there may be some

relaxation for the import of raw materials, especially for small scale industries. We have seen that some of our engineering industries are growing fast and they are finding a good market in the Middle Eastern and the Far Eastern countries, but some of them are suffering from the shortage of raw materials. If the position improves, it is essential that those industries that import a certain type of steel—a special type of steel—may be permitted to import.

Though, of course, this time no hon. Member has criticised that the Government is not following the policy of diversification of trade, last year some hon. Members had said that even most of our foreign trade is allied or connected with American and European countries. But has there been any lapse on the part of the Government? Has there been any less effort on the part of the Government if within these two or three years maximum effort had been made to establish trade relations to have imports of machinery from Russia and allied countries? The result is also encouraging. We have seen that in some of our big industries, Russian and Czechoslovakian participation is rapidly growing and in our export trade too we are trying our best to find out markets—especially, the State Trading Corporation was created for this work. But though some improvement is there as far as export of certain commodities are concerned, other commodities like jute goods are not finding encouragement in those countries. Even then I also suggest that the maximum effort should be made to increase our commercial relations with the Soviet countries.

Today some sections of the industrialists have started to criticise the public sector though now it is an established thing that in a mixed economy the scope of public industries is bound to increase. Even then like the Forum of Free Enterprise they have started an organised effort

to belittle the performance of the public sector. But, their own effort, I think, is detrimental to the interests of the private sector. Instead of harming the public sector, their criticisms and the way in which they are trying to belittle the public sector will tell more upon the private sector.

Today, the performance of the public sector may not be free from criticism. But, on the whole, we find that it is progressing rapidly. In my last year's speech, I suggested that the Industrial cadre should be rapidly expanded and greater facilities for training of staff for the management of the public sector industries should be provided. Though there has been progress and many people have been provided with facilities of training, still, the public sector industries are facing shortage of proper people to handle them.

I would like to say that care should be taken to see that there is no wastage in the public sector. Some criticism has been made in this House that top heavy expenditure in the public sector is growing and there has been wastage. This was the experience of other countries too. Even in China, this was the experience. In the beginning there was huge wastage. Slowly, they have been able to cut down wastage and heavy expenditure mostly on buildings and other things. The time has come—we have advanced so much—when proper vigilance has to be kept over expenditure in the public sector.

Most of the public sector industries today are being financed by foreign loans which we have to pay back. We must see that the cost of production goes down in the public sector, because we have to pay back our loan. On the whole, the working of the public sector, when we look at all these industries, is expanding and much improvement has been made, except for the shortage of personnel which we should try to overcome. It need be and if people are available from some of the commercial firms,

they may be employed in the Industrial cadre. Of course, there is also the difficulty in that most of the people engaged in the management of the private sector are handsomely paid so that the public sector industries are not offering any attraction to them.

Is it possible to have planned development unless we have complete control over the private sector? What is happening today? Government is trying to help most of the private sector industries with finance for the construction of houses for labourers. Whenever there is a crisis in the private sector, Government comes forward to finance these industries. Today, what is the control of the State over the private sector? Even as the Registrar has said, the Inspectors have not been able to have full control over these industries. Today, if they want to have some documents which are necessary for a proper investigation, they have no right to get them. There is plenty of tax evasion. Because the State cannot enforce control over the proper working of the industries in the private sector, sometimes we feel that the State is helpless. Whenever any loan is advanced to the private sector, it is better that, instead of a loan, the State should have direct participation and greater control over the private sector.

We have seen that some of the textile mills have closed down. We have seen what is happening to the Asahi Glass factory which was the Sodepore Glass factory. Though the Government had to invest a huge amount of money, because the Government had no control over the Board of Directors, it was terribly mismanaged. The time has come when we should have greater control over the private sector industries. As our public sector industries are growing which are financed by foreign loans which we have to pay back, some of these industries, some further expansion of the industries in the private sector should also be taken over by the public sector. Further expansion in

[Shri Gajendra Prasad Sinha]

the private sector industries may be financed by the public sector.

I come from an area which is sufficiently rich in minerals. But, the population is practically living at starvation level due to continuous drought. It is essential that small-scale industries should be given a greater fillip in view of the fact that agriculture cannot play an important part in that area. My area entirely depends on the production and export of shellac. Today, because of speculative tendencies and because the foreign trade of shellac is completely controlled by foreigners, the position has deteriorated. The producers are not able to take sufficient advantage of this. It is better that the external trade in shellac is handed over to the State Trading Corporation, which is already expanding. The risk may be reduced so that the producer may get a fair deal.

Mr. Deputy-Speaker: His time is up.

Shri Gajendra Prasad Sinha: I shall finish in one minute.

Mr. Deputy-Speaker: He has given the lowest priority for his area. How can I help him?

Shri Gajendra Prasad Sinha: In Chotanagpur, we have got electric supply, and we have got raw materials. It is essential that small-scale industries should be increasingly provided in that area. This area is most suitable for not only small-scale industries, but for heavy industries too. The Government is also trying to start big industries there. We are thankful for the establishment of the heavy machinery industry recently at Ranchi. The Czechoslovakian plant, I think, is also going to be located there. I hope that our fourth steel plant, as has been decided, will be located at Bokaro and there will not be any change in that scheme. Even then, some of the industries in my part are facing shortage of raw material, mostly steel, which must be

looked into. They are suffering from financial difficulties. So, finance may also be provided.

Shri Manubhai Shah: I am very grateful to hon. Members for the very keen interest that they have shown in the working of this Ministry and for the very constructive suggestions that they have made during the course of the debate.

There have been several occasions when the matter of foreign exchange has been debated in this House, and the Minister of Commerce and Industry last time also explained, and on a previous occasion I had also an opportunity to lay before the House the exact position regarding foreign exchange. I will only deal, this afternoon, with the points made by Shri Bimal Ghose and Shri Prabhat Kar as regards this very important item.

It has been the unfortunate experience of some of us that in spite of several clarifications on this account to the effect that the general trend of the import-export policy in the last five years has been one which will promote industrialisation, some of the misunderstandings still persist.

I would not treat the House to too many figures, but I would again repeat a few figures which I had last time also mentioned before the House to show that the entire trend of the import of different types of goods in this country has been one of promotion of industrial development in this country, that the indigenous angle of promoting the manufacture of at least all such parts progressively which can be manufactured in this country in a phased manner has been consistently adhered to, that the import of such goods which are not vital to the national economy, and particularly the consumer goods, is gradually being tapered off, and its place is being taken by machinery, capital goods, producer goods and industrial raw materials.

It was, therefore, rather surprising to me that Shri Ghose should have

made a point that the balance of payment position is not being judged from a long-term angle, but only in a very short-sighted way. I am only quoting the figures of the actual imports in the last few years, for every half-yearly period, to show the trend to the House.

In January-June 1955 plant and machinery worth Rs. 45 crores were imported. It rose to Rs. 55 crores in July-December 1955. It touched Rs. 87 crores in January-June 1956. It was Rs. 74 crores in July-December 1956, and it was Rs. 84 crores in January-June 1957 for which we have the final figures. I know that that trend is being maintained even in the latter half of 1957.

So, the House will be able to see that from a sum of Rs. 45 crores for plant and machinery to be imported in the first half of 1955, the figure in the first half of 1957 was Rs. 84 crores almost a 90 per cent rise in the import of capital goods. This should, I suppose, satisfy my friend Shri Ghose that we are not looking at the problem of balance of payments or external payments or balancing of import and export from any short-term angle, but that we want to see that the dependence of the country largely on imports from foreign countries is reduced as early as possible, and that in the next decade or two, by a progressive policy of industrialisation spread in the vital sectors of the economy, our dependence on foreign imports is gradually reduced.

The second item which plays a very major role, as a matter of fact the most vital role, is the import of industrial goods, that is, the producer goods which are the raw materials for different types of industries. There also, the trend is visible. The House will be glad to note that in the first half of 1955 the import of industrial goods was Rs. 177 crores while it touched Rs. 196 crores in July-December 1955. Again, it rose to Rs. 229 crores in January-June 1956

and touched Rs. 252 crores in July-December 1956. It was Rs. 292 crores in January-June 1957. That is, within a course of two years, the import of industrial raw materials which directly contribute to the production of capital goods, machinery and different types of industries in this country rose from Rs. 177 crores to Rs. 292 crores, and I can assure the House that more than that, the vital trend is being maintained even in the latter half of 1957 and the beginning of this year.

On the other hand, as far as consumer goods are concerned the position is reverse. I may here caution the House that the definition of consumer goods as mentioned now, as being followed now, is also not strictly a very correct definition. It includes all sorts of things, and at the earliest possible time we may have to reconsider the question of classifying consumer goods correctly as they are understood in economic terminology. But, even as the definition stands, the House will be pleased to know that gradually the licencing of consumer goods which was Rs. 214 crores in 1955, and which stood at Rs. 216 crores in 1956, was reduced to Rs. 163 crores for the total of 1957. There again, we have made a drastic saving of almost 25 to 30 per cent. within a period of two years.

Shri Dasappa: The question is why it was not started earlier, two years earlier at least.

Shri Manubhai Shah: It has been several times explained, and the Prime Minister also in his speech yesterday and before that too, has mentioned the causes and the reasons why in the year 1956 and before we had not been as careful as we are today. I would here again plead with the hon. Members to remember the temper in the whole country; in the five years, from 1951-56 when our Sterling balances were accumulating, everywhere the general cry was for liberalisation of imports. I am not pleading that today as an excuse as

[Shri Manubhai Shah]

to why it was done but history is so quickly forgotten. If hon. Members refer to what the Chambers of Commerce, the Federation and the Industries' associations all over the country and almost all Members of this House said, if they refer to most of the speeches, they will find that generally at that time, as our Sterling balances were largely accumulated, the feeling was to allow more and more imports. Even so.....

Shri Ranga (Tenali): May I just remind him that from 1948 onwards several of us have been criticising the Open General Licence policy of importing more and more of these consumer goods and luxury goods?

Mr. Deputy-Speaker: It was then thought they were wrong, but now they have been found to be right. Nothing strange in it.

Shri Ranga: But then he is going back upon it and saying that everybody was asking for this import, and therefore it was allowed.

Shri Manubhai Shah: I am not saying everybody. I am saying it will be borne out if the hon. Member refers to the records that liberalisation of imports was hailed throughout the country, but I am not giving that as a reason. When I say generally this was the trend, it does not mean there were not many wiser friends also who perhaps knew.....

Shri Ranga: It is no good bringing in "wiser" or wisdom. Wisdom unfortunately did not dawn there.

Shri Morarji Desai: Do not get angry.

Mr. Deputy-Speaker: Even if it was so, we have now to proceed with the present position.

Shri Manubhai Shah: What I was trying to urge was that we are generally considering the performance of

the Ministry in the past year, and if the.....

Shri Feroze Gandhi (Rai Bareli): You are speaking from the ex-Finance Minister's seat!

Shri Manubhai Shah: What I was saying was that, whatever may be the defects of the previous policy because of lack of experience or lack of knowledge of the amount of foreign exchange that would be required for capital goods and producer goods, in the last one year the policy has been continuously corrected, and the process, if I may submit again, has been continuous, and it is not as if a sudden correction has been made. There has been a reduction in consumer goods imports, and even if some of the figures of 1951 are seen, you will find there has been a continuous increase in the import of industrial goods, producer goods, capital goods and machinery. This was given merely to correct the impression that the policy even during the current year, as my friend Shri Bimal Ghose insisted, even during 1957, has not been properly worked out. I may, therefore, submit that the House will be convinced.....

Shri Bimal Ghose: That was not what I suggested at all. I was giving you the position of the balance of payments, and I said this was the position. I did not say you had not reduced.

Shri Manubhai Shah: What I was suggesting was that there is a long-term balance of payments policy, with the entire priorities towards the import of things which are vitally required for the industrial development of the country. And it will not be correct to surmise, if I can have my own say—because the hon. Member had his opportunity, I suppose—that because in 1955 or 1956 the position was somewhat different, therefore, in 1957 we have followed the same policy. As a matter of fact, it is just to the contrary. There have been drastic cuts, and 160 and odd

items of the so-called consumer goods have been cut down in January, 1957.

There is also another impression which has been created by the Economic Survey, which the Finance Minister placed before the House along with the Budget, which I would like to clarify. There has been a mention there that owing to the shortage of pig iron and some of the industrial raw materials because of the stringency of foreign exchange, the production in some of the industries has slightly declined. Here also, I would like to clarify the position. Except for cotton textiles, where in 1957 the production has practically stagnated at 5,340 million yards, in most of the other sectors of industry production has been continuously rising, and it will not be correct to say that in spite of the very great hardship in the matter of foreign exchange in 1957, the production in the vital industries has gone down; on the other hand, the rate of growth has continuously increased. Therefore, I was surprised when my hon. friend Shri Koratkar mentioned that production was precipitously falling. It is nothing of that sort. It is true that the industrial index was 133 in 1956 with 100 in the base year 1951; that is, over a period of six years, the percentage rise was only 33 per cent. Perhaps, even now we have not got the gross index of domestic products of industrial origin or the industrial index of production worked out on the annual basis. It may be that the 6 per cent. might taper down to 5·8 or 5·7 or 5. I cannot say with any certainty because it has not been worked out, but I shall place before the House the general average of monthly indices for examination.

In 1955, the general index of industrial production was 122·1; it rose in 1956 to 133, and in 1957 it touched 147·2, which means a rise between 1955-56 of 10·9 and between 1956-57 a rise of 14·2. So, even on this examination, the rate of growth is not really low. What really has happened is this. These indices are of a very

peculiar type in that a particular type of national production is given a certain weightage in the multipliers, and, therefore, when the gross industrial index is produced, it might be that perhaps because textiles have not registered any progress—there was a rise of only about 30 million yards in 53,00 million yards, which is no acceleration or increase at all—this 6 per cent. which is the average of the industrial index might get reduced, but I am not sure on that also, because in the general index of industrial production, we have registered in 1957 a rise over that in 1955-56.

As for chemicals and chemical products and engineering products which, I do hope Shri Bimal Ghose will agree, are really the foundation of industries, we have touched the phenomenal figure of 289 as far as manufacture of machinery is concerned. The House is very much concerned every time with the development of the machine-building industry in this country. The figure was 163 in 1955 and it went up to 215, which means a rise of about 52 points in one year, and it touched the figure of 289 in 1957, which means a rise of about 74 points. From whatever little experience I have got of industrialisation or industrial development, this, to my mind, is certainly a highly satisfactory development, as far as machine-building is concerned.

We find the same thing in regard to engineering industry also. The rise is from 183·3 points to 236·2 points in two years. In the case of chemical industry, which comes third in the line of priority of industrial development, the rise is from 159 to 180·7 during the course of the last two years.

So, I can assure the House that though the mention in the Economic Survey that the industrial production in respect of some industries has declined is factually correct, it does not mean the whole story. As a matter of fact, torn out of context, it is likely to create a certain amount of

[Shri Manubhai Shah]

misunderstanding. Consistently, in spite of the difficulties—extreme difficulties, I should say—on the front of foreign exchange for the import of component parts, steel, and producer goods, we have been endeavouring to see that the rate of growth of industrial production does not go down.

16:45 hrs.

[SHRI C. R. PATTABHI RAMAN in the Chair]

Another happy feature on this particular front is the development of heavy and basic industries both in the public and private sectors. As the House is aware, in 1947 at the time of partition and independence, this country had practically no production of industrial machinery of any kind. We have touched in the year 1957 a production of Rs. 36 crores per annum worth of this heavy machinery, which for a country which is just starting on the high way to industrialisation is not a mean achievement.

If we examine the Second Five Year Plan provision, out of Rs. 550 crores, if we take away about Rs. 460-470 crores in the public sector for the steel plants, Rs. 80 crores only were left for the other heavy machinery industry. But as the House is aware, and as we have been laying before the House from time to time the programme, we have now undertaken a programme running into Rs. 300 to Rs. 400 crores which is itself a highly gratifying feature. The Central Heavy Machine building plant with Russian collaboration might take Rs. 80 crores in the first stage and Rs. 160 crores in the second stage. The three drugs plants, which were never provided for under the Second Five Year Plan, when it was drafted, will consume something like Rs. 60-65 crores. The heavy foundry forge, the plate and vessels works, the structural works and heavy machine tool works between themselves will claim about Rs. 50 crores on the heavy machine building side.

Similarly, on the fertiliser and other heavy industries side also, considerable amount of progress has been made, and I can assure the House of that feeling that the new external payments policy for the coming decade or more than a decade is going to be based principally on saving, on everything, on capital goods, on heavy industry, basic industry, producer goods and industrial raw materials, so that at a distant future when this country really becomes prosperous, when we go on the high way towards industrialisation, we will not have to depend on imports of capital goods and machinery from foreign countries.

Shri Bimal Ghose: When will that be, and what were they doing?

Shri Manubhai Shah: The foundation is being laid. As a matter of fact, if my hon. friend wants more details, the Central heavy machine building plant which is being established at Ranchi shall be producing one complete steel plant, A to Z, every two years when fully completed, and this will be one of the biggest steel machinery manufacturing plants in the world.

Similar is the position in the field of drugs. I would not again refer to those items. But when all this production, about which very great details have been given on the floor of the House from time to time, is planned, and if my hon. friend goes through those details—I know that he is always factual and tries to be objective—knowing him fully well as I do, I have no doubt that he will also feel convinced that the basic industrial development, the development of the producer goods industry and the machinery goods industry, is taking place at a rate which should enable this country to become less and less dependent on foreign imports.

Then there was a question raised about the working of the public sector. I can say that if the House bears with

me and goes into certain of the figures of production, they will be highly satisfied with the performance of the public sector in general, barring one factory—about which I have been all the time mentioning—the Nepa Mills, which is somewhat of a sick baby, at the moment, of the public sector.

Take the question of the Hindustan Machine Tools Factory which even according to the original promoters and the planners, the Swiss firm, was not expected to go beyond 300 machines in 1960 and which only produced 75 machines last year, but has this year just touched the figure of 348 machines. It was totally unexpected. We have crossed over the target of 1960-61 in 1957-58. The machine tools produced by the Hindustan Machine Tools Factory are first class, tool room class, 'swing lathes', of which any country should be proud. If you see the quality—and recently we had it examined by some of the foreign experts—and the productivity reached in the Hindustan Machine Tools, at least 150 persons today can claim 9 productivity with their Swiss counterparts.

Shri Feroze Gandhi: How many were they able to sell?

Shri Manubhai Shah: All sold. For 2 to 2½ years we are booked. And we have 10 per cent. more productivity per man. Of course, 180 is only about 10 to 12 per cent. of the total labour strength. But it is a matter of pride that in an industry like this, a pioneering industry, running in the public sector in an under-developed country, where manning by technical experts is a very complicated problem, we should have reached a productivity of 9 man to one Swiss man. Gradually, we are introducing the incentive bonus system there and it is the first public sector factory to have the incentive bonus system. And, we hope that with the blessings of this House and the encouragement of hon. Members given to the public sector, we shall be able to show better results.

Then, there is the question of Sindri. As everybody knows, it has crossed the production mark. Originally the rated capacity was 1000 tons per day and we have now touched about the 1100 to 1150 tons. That is the present capacity of Sindri and this year we have produced 3,36,000 tons of ammonium sulphate.

Then, there is Hindustan Cables. That factory was expected to produce at the end of the Second Five Year Plan 650 miles of cable. That is the production which we have achieved this year and we have yet three years to go and I do hope that, perhaps, the targets will be more than doubled by the end of the Second Plan and we shall make the country self-sufficient in cables of all varieties required by the Posts and Telegraphs Department and other departments of the Government of India and sizeable exports may also, perhaps, be had to the lot of this wonderful factory.

Then, coming to the various other factories which are coming up, I will not enumerate every one of them. But, I would touch on one on which various Members have in the past expressed anxiety and that is the Hindustan Antibiotics. The Pimpri factory had been a matter of great criticism and the House will be pleased to know that from 6 million mega units per year the annual production year before last, we have now touched 26 or 26½ million mega units. The original planners also never visualised that it will touch more than 24 million mega units in 1960-61.

Shri V. P. Nayar: It is only penicillin, is it not?

Shri Manubhai Shah: Yes.

Shri Ranga: We had estimated 24 million mega units and we have produced more than 26 million.

Shri Manubhai Shah: But, now we have undertaken to expand production by another 50 to 60 per cent. and maybe with the agreement that we are now

[Shri Manubhai Shah]

entering into with the American firm streptomycin will also be produced in Pimpri. Therefore, the working of the Pimpri factory also has been of a very satisfactory order.

The only other point which I wanted to mention is about the NEPA factory. The history of the NEPA factory is well-known to the House. It is not a factory started by the Government of India; it is not a factory started in the public sector. The then Madhya Pradesh Government and a private party entered into an agreement and started this factory. It had not been a very well-planned factory; it had not been looked after well at all till such time that the Government of India went to the help of the factory and took over from the Madhya Pradesh Government. And, it is a matter of rather regret that we have had to handle such a badly negotiated factory. But, I can assure the House that now we have come to the stage where a 75 tons per day production has been almost reached—though the rated capacity is 100 tons and given a little attention and financial control—now that our senior colleague is going to the Finance Ministry—we hope that as far as the NEPA mills are concerned, the problem will be straightened. If the financial structure is recast and a proper modification of that factory takes place, the power plant or the same plant as it comes under our control or at least if the Madhya Pradesh Electricity Board gives us what we want, then, I can, certainly, without any fear of contradiction assure the hon. Members that NEPA will touch the rated capacity of production.

Shri Dasappa: Why do you want help from the Electricity Board or the Government?

Shri Manubhai Shah: The Madhya Pradesh Electricity Board is not giving us the full power because they themselves are short of power. Then, the boilers are so old that their headers

have been broken and damaged several times. We did not fully succeed because control is not ours. Unless, in the public sector, the control is of a real and genuine type and direct one, indirectly to get into all the different types of bodies together is not always easy.

As far as the new factories are concerned, I will not take the time of the House very much. All I can say is that for the raw film factory about which some anxiety has been shown by my friends from Mysore, the team which came here from East Germany, Agfa, have conclusively so far recommended that Ootacamund is the best site. So, it must be correct. Every time to plead for a re-examination of a site which an expert team, after having gone into 9 or 10 places in India, have found as good, is not right. It is not the last factory for raw films. In this country many more are coming in the public sector. At that time the claims of other areas for such a factory can certainly be considered. But, for the present, the recommendation given to us by the expert team has been for Ootacamund and I do not know....

Shri Dasappa: I only said that it must come out as soon as possible.

Shri Manubhai Shah: Shri Shankaraiya said—I did not mention his name—that the film factory should go to Mysore. But as far as you are concerned, I can assure you that the second factory if and when it comes, must come in such a big and mighty country requiring so many types of films, will come somewhere else.

About small-scale industries I may say this. The Silk Board was constituted in 1949. At that time the headquarters were in Delhi. Friends from Mysore were anxious to know why it should go to Bombay again. In 1952, the headquarters were shifted to Bombay. It was only in February

1957, it had been, briefly for a period of three months, shifted to Bangalore. Only for a period of three months Bangalore had been in enjoyment of having the Silk Board's headquarters. (An hon. Member: *Why this sudden change to Bombay?*) Because the Textile Commissioner who is Chairman of this Board finds it convenient to operate from there. The silk industry is not concentrated in Mysore alone even though it claims a predominant share. There is silk industry in West Bengal, Orissa and Assam. As a central place, it has gone back to Bombay where it had been for five years before its transfer to Bangalore.

Shri Ranga: Bombay is the central place for silk!

Shri Manubhai Shah: It was decided by the Board and we confirmed it. It was decided by a majority vote.

Shri Dasappa: Is Bombay a silk centre?

Shri Manubhai Shah: It is the centre of India for textile industry. That was only by the way, in order to satisfy the Members from Mysore. There was no other consideration; within two months we changed the decision because the Board was always in Bombay for over five years.

I am very glad to see that unanimously all the Members of the House, irrespective of party affiliations, all the time stressed the necessity of development of the small industries. If you examine the performance, provision and the implementation, year by year, you will find that this year should be considered the record year as far as the development of the small industries are concerned in production, implementation and the release of funds. I can assure the hon. Members that if every hon. Member continues to take more and more interest, this is the one field in which India has a lot to do and it must do in order to raise the level of national income. They are labour intensive and generate

income at once and give to the weaker sector of the economy, the under-dog, the under-privileged and the have-not the opportunity to go towards industrialisation and increasing its living standards.

Shri Dasappa: Let there be the same consideration to the medium scale industry.

Shri Manubhai Shah: My hon. friend is very much concerned. I am coming to his 100 power looms because he is concerned with medium powerloom factories. We are looking into it. What he intended to show was different. It is not as if we are withdrawing any concession from 25, 50 or 100-power loom factories. So, it is continuing. My hon. friend Shri Kanungo Committee's recommendation for power looms has not been abandoned at all. For up to 100 loom units, we are giving concessional rate. It is true that for the current year the withdrawal had been contemplated for over hundred looms. But I may say, with all my respect for my hon. friend, Shri Dasappa, that the facts as he has presented them are far from correct. Even if a factory has about 100 looms and it requires some concession, it will not be on the basis of the facts and figures which he has quoted. We shall certainly examine that point and I can assure him that we are as keen as he is to come to the aid of all these medium type of industries as compared to large industries (*Interruptions*). There are other figures. This is not an industry where you can generalise by saying that one loom costs so much.

17 hrs.

Lastly, I will come to the sector which has been slightly misunderstood—the Ambar Charkha and Khadi sector. It can be considered a matter of gratification for any country that such a decentralised sector as the Ambar Charkha and the Khadi sector should have increased its production in the four years of goods worth Rs. 1-8

[Shri Manubhai Shah]

crores to about Rs. 8 crores. This is a matter for great congratulation and it will not be correct to say, as some hon. Members have tended to suggest, that this policy has either failed or the Khadi programme or the Ambar Charkha has not come up to expectations. It is true that the decentralised sector of industry, the weaker section of economy is much more difficult to protect, organise and implement than the giant steel plants, heavy machine building plants or the drug plants. Therefore, Sir, all the blessing, encouragement and optimism of this House will be required to fulfil this programme. It is not a dogma or a

doctrine but an economic reality, in a country where 400 million people reside, and where capital is scarce, rate of capital formation, rate of savings and rate of investment is not proportionate to the quantum of problem that the country is facing. Therefore, the harmony of these two industries will continue to exist, and I am very glad that practically all the Members have given their full support to this policy.

17.02 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Thursday, the 20th March, 1958.